

2017



கார்டினாடுல வார்தால செயலாற்றுகை அறிக்கை Performance Report

சூதிக சூதிரசீதி லா ஂரீசீக கடுதூது ஂலாநலாஂடுசு
தேசிய கௌகைகள் மற்றும் ஡ுருளாதார விவகாரங்கள் அமைச்சு
Ministry of National Policies & Economic Affairs



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செயலாற்றுகை அறிக்கை
Performance Report

2017

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Ministry of National Policies & Economic Affairs



Institutions coming under the purview of the Ministry (as at 31.12.2017)

Departments/Statutory Boards and Institutions coming under the purview of the Ministry of National Policies and Economic Affairs are as follows;

Departments

Department of National Planning
Department of External Resources
Department of Census and Statistics

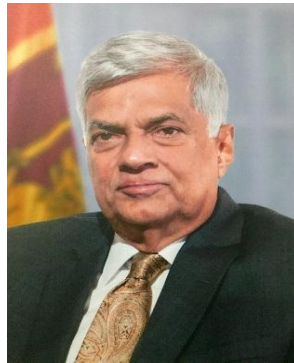
Statutory Boards / Institutions

Central Bank of Sri Lanka
Institute of Policy Studies
Securities and Exchange Commission
Credit Information Bureau
National Insurance Trust Fund
Public Utilities Commission of Sri Lanka
National Human Resources Development Council
National Youth Services Council
National Youth Corps
National Youth Awards Authority
National Youth Services Co-operative Limited
National Centre for Leadership Development

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Message of the Hon. Prime Minister and Minister of National Policies & Economic Affairs



I am pleased to present the Performance Report of the Ministry of National Policies and Economic Affairs for the year 2017. As spelt out in Vision 2025 the government is on the course of transforming the economy into a more competitive, knowledge based social market economy. The Ministry of National Policies and Economic Affairs has been the driving force in this transformation. Ministry has taken steps to introduce an investment friendly stable macro-economic framework.

Some of the noteworthy actions taken are restoration of Sri Lankan image in the international arena, the 19th amendment to the Constitution, the setting up of independent Commissions, the full implementation of the Right to Information Act, the restoration of the freedom of expression, public consultations on the proposed reconciliation mechanism, Constitutional revision, the setting up of the Constitutional assembly, usher in a culture of good governance.

The Government introduced a prudent debt management strategy to achieve the goal of reducing the current debt ratio from 79.3% of the GDP to 70% by 2020. Our government has taken measures to uplift the economic conditions of all citizens and ease the cost of living. This Ministry in collaboration with the Central Bank launched Swashakthi loan scheme to support small and medium scale entrepreneurs. This will ultimately strengthen the village economy. We will extend this scheme further to harness the entrepreneurial skills and ideas of the youth. Also, we are in the process of launching several new schemes to support technology based Small and Medium Enterprises.

Recognizing the importance of economic and social infrastructure in place for facilitating inclusive growth and development, our government continued its investment in improving infrastructure base during 2017. The Programmes such as Decentralized Capital Budget (DCB), Rural Infrastructure Development Programme (RIDP) and Rural Infrastructure Development Special Programme (RISP) with augmented funds were implemented successfully, under the guidance of my Ministry. Accordingly, total of 51,896 small scale projects comprising 18,056 DCB projects, 29,328 RIDP projects and 4,512 RISP projects were implemented at grass-root level during 2017. Total investment made in these projects were over Rs. 17 billion. In order to empower the youth to harness their full potential to the economy, the Ministry has launched several programmes. “Yowun Puraya” is one such prominent programmes that brought over 6,000 Sri Lankan youths together from all parts and 100 international participants with a view to motivating younger generation equipped with modern skills enabling them to shoulder national development work.

In summary, our nation is on the march towards creating a modern country to keep pace with the fast expanding global scenario and the modern world, flanked by democracy and the good governance.

I wish to take this opportunity to thank the officials of the Ministry of National Policies and Economic Affairs and the institutions coming under the purview of my Ministry, for extending their fullest co-operation in achieving this performance.

A handwritten signature in green ink that reads "Ranil Wickremesinghe". The signature is written in a cursive style with a large initial 'R'.

Ranil Wickremesinghe M.P.

Prime Minister and Minister of National Policies and Economic Affairs

Message of the Hon. State Minister of National Policies and Economic Affairs



The main challenge confronted by us today is to safeguard what we have already built and strengthening the economy. To this effect the steps are being taken by the government under the guidance of His Excellency the President and Hon. Prime Minister with the objectives of reducing the debt burden of future generations by stabilizing the economy and providing the prospects for all Sri Lankans to be prosperous by expansion of the economy.

The Government had already taken a number of major steps to stabilize the economy since 2015 beside the plagued economy that we inherited from the past. Nevertheless, it was indeed not an easy task to go forward getting the past wrongdoings rectified.

For years economic growth of the country was mainly depended on the large scale public investments in infrastructure facilities. By these efforts, only the sectors such as construction industries were strengthened. As a result, export sector of the Gross Domestic Product (GDP) of Sri Lanka has gradually tended downwards. However, income as a percentage of GDP had shown an increase during the preceding two years. The reason attributed to this effect was that the government has initiated prudent debt management strategies to overcome the unprecedented challenges.

Our policies should be targeted on farsighted strategies of asset management. Village based development projects in the process of rebuilding the economy under the guidance of our Ministry had been initiated as a result. Success of said projects manifests the commendable contribution that all the staff of this ministry including myself under the guidance of Hon. Prime Minister had made towards those projects.

I take this opportunity to express my sincere gratitude to Hon. Ranil Wickramasinghe, Prime Minister and the Minister of National Policies and Economic Affairs who always gives strength to us for conquering the challenges when striving to reach the desired target of developing the country amidst management of external and internal challenges that may have arisen from time to time. I further appreciate the assistance of Secretary to the Ministry Mr. Ruwanchandra and the staff of the Ministry and I request you to join hand with us in the challenging journey to take the country forward to reach the highest echelons of development.

A handwritten signature in blue ink, appearing to read 'Niroshan Perera'.

Niroshan Perera M.P.
State Minister of National Policies and Economic Affairs

Message of the Hon. State Minister of National Policies and Economic Affairs



I am pleased to pen this message for the Performance Report 2017 of the Ministry of National Policies and Economic Affairs. The Ministry is working towards making Sri Lanka ‘A Country Enriched’ under the guidance of His Excellency the President and the Honorable Prime Minister. We seek to elevate Sri Lanka into a knowledge-based, highly competitive, social market economy at the hub of the Indian Ocean.

The Ministry launched *Vision 2025* in September 2017 in collaboration with the Ministry of Finance and Mass Media, to publicize the Government’s economic vision with a 3-year delivery programme. The Department of National Planning and line agencies are formulating a strategy and action plan complementing Vision 2025.

The Ministry is researching innovative mechanisms to enhance our human capital through quality improvement and skills development. We are currently building a Build-Operate-Transfer model that would greatly minimize the Government’s capital expenditure on physical infrastructure. We envision shifting this investment to soft infrastructure development, moving our focus ‘from bricks to microscopes.’

We are working closely with relevant stakeholders to reform the existing pension scheme, seeking to create a national system that provides protection for all sectors.

The Ministry has established an ‘Analytics Unit’, to provide support for evidence to improve our decision-making capabilities. A group of 10 dynamic individuals are engaged in studies across different fields. We believe this seed will grow into a dynamic and complex central processing unit of the government.

I wish to express my heartfelt gratitude to Hon. Prime Minister Ranil Wickremesinghe, the Minister of National Policies and Economic Affairs, for his leadership and guidance.

I am also sincerely grateful to Mr. K.D.S.Ruwanchandra, Secretary and all other officials in the Ministry for their commitment and support. It is their hard work and dedication that ensures the achievement of the Government’s visions for this country. I also wish to record my appreciation for former Secretaries Mr. Shantha Bandara and Mr. M.I.M. Rafeek for their unstinted support.

A handwritten signature in blue ink, appearing to be 'H. De Silva', written over a light blue horizontal line.

Harsha De Silva Ph.D (M.P.)
State Minister of National Policies & Economic Affairs

Message of the Secretary to the Ministry of National Policies & Economic Affairs



I am pleased to present the Performance Report of the Ministry of National Policies and Economic Affairs for the year 2017. The effective leadership and guidance of Hon. Ranil Wickremesinghe as the Minister of National Policies and Economic Affairs, Hon. Niroschan Perera as the State Minister and Hon. Dr. Harsha de Silva as the Deputy Minister immensely contributed to achieve the performance outlined in this document.

With the vision of achieving inclusive economic growth and prosperity through viable national policies, this Ministry plays a key role on ensuring benefits of development for every citizen, through formulation of national policies and dynamic economic strategies. Measures are being taken to create an environment where all citizens have the opportunity to achieve higher incomes and better standards of living.

Being the Ministry in charge of Youth Affairs, this Ministry has conducted a large number of important events for the upliftment of youths with a view of getting the contribution of the youths towards the development of the country. “Yowun Puraya” is one such programme which was conducted by the Youth Services Council under the guidance of this Ministry in 2016 after a lapse of 27 years and continued in 2017 attracting more than 6000 youths covering all districts. Further, this ministry has unveiled the opportunity for youth to take part in rural development programmes while granting financial provisions to young leaders to invest in rural development activities. Also, initiatives have been taken to introduce the talents and capabilities of youths to the society through the programmes such as “Youth Got Talent” and “Wiyawasaya” trade fair.

During 2017, this Ministry has implemented more than 50,000 projects in the grass root level through the programmes of Decentralized Capital Budget (DCB), Rural Infrastructure Development (RIDP) and Rural Infrastructure Development Special Programme (RISP). The total value of those projects is more than Rs. 17 billion. Also, measures have been taken to introduce new laws and regulations which are essential for the socio economic upliftment of the country.

I take this opportunity to express my sincere thanks to the Hon Minister, Hon State Minister and Hon. Deputy Minister of the Ministry of National Policies and Economic Affairs for their effective guidance towards successful execution of this Ministry’s functions. Also, contributions made by the former Secretaries Mr. M.I.M.Rafeek and Mr. Shantha Bandara are noteworthy in achieving 2017 performance. Finally, I wish to thank all the staff of the Ministry and the institutions coming under the Ministry’s purview for their support given in achieving this performance.

K.D.S.Ruwanchandra
Secretary

Chapter 01

Ministry of National Policies and Economic Affairs

1.1 Introduction

Ministry of National Policies and Economic Affairs was established in 2015 to streamline and facilitate the policy formulation process. This Ministry focuses more towards creating a country free of debt for future generation while expanding the economy to open windows of opportunity for all Sri Lankans for prosperity.

The role of the Ministry is elaborated in the extraordinary gazette No. 1933/13, dated 21.09.2015 and its amendments contained in the extraordinary gazette No.2022/34 dated 09.06.2017.

Ministry works towards improving and enhancing living standards of Sri Lankan citizen. The Ministry designs policy measures with a view to enhancing the income level of people and to pave the way for youth to access to gainful employment after completion of school/ university education. This involves building the capacity of youth to face future challenges while ensuring a path to decent life style for them. Additionally projects and programmes to develop and modernize rural economy are being promoted.

Ministry is taking measures to ensure regional balance in development and to promote Public Private Partnership. These measures are aiming at achieving social well-being, long term prosperity and sustainable development in alignment with principles of good governance. These steps are guided by the following policy directives;

- I. “Maithree Palanayak” Manifesto for Presidential Election , 2015
- II. Five – point strategic framework of the government “A New country in sixty months : Five point plan” which emphasizes main five goals to be achieved namely, building the economy, fighting against corruption, ensuring freedom for all, development of infrastructure and investment, - development of education.
- III. “An empowered Sri Lanka” booklet published by the Prime Minister’s office in January 2017.
- IV. Document on “Vision 2025: A country enriched – The Changing face of a Modern Economy”, which was published on 04th of September 2017.
- V. Policy statements and the way forward presented by the Hon. Prime Minister to the parliament on 5th of November 2015, 27th of October 2016 and 20th of October 2017.
- VI. Public Investment Programme 2017 – 2020.

1.2. Vision, Mission, Objectives of the Ministry

Vision

Inclusive economic growth and prosperity through viable national policies

Mission

Ensure the benefits of development for each citizen through the formulation of national policies and dynamic economic strategies for inclusive development

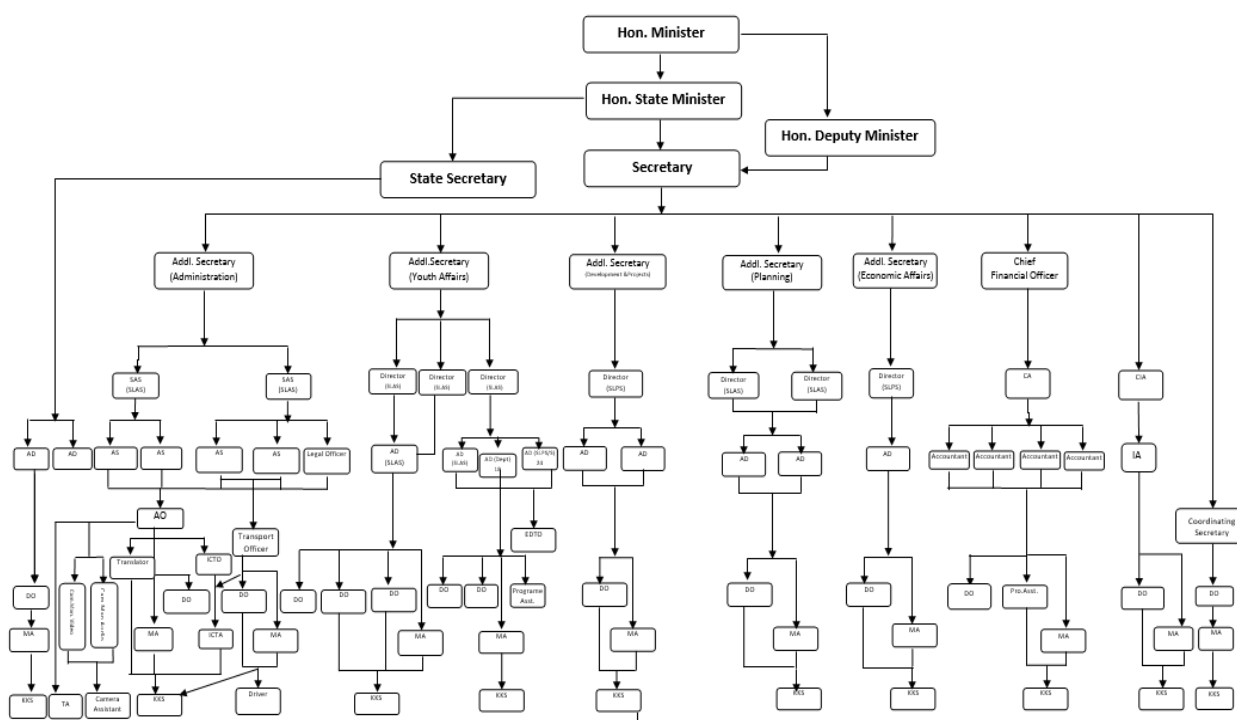
Objectives

- Achieving economic development
- Elimination of poverty
- Elimination of unemployment and reduction of under employment
- Investment promotion through enhancement of domestic savings
- Promotion of economic and social infrastructure
- Increasing Foreign Assistance
- Promotion of fair trade
- Ensure skilled human resources giving special focus on youth
- Ensure efficient and effective insurance system

1.3 Key Functions

1. Formulation of policies and programmes, monitoring and evaluation in regard to subjects of national policies and economic affairs, including finance and revenue and those subjects that come under the purview of Departments, Statutory Institutions and Public Corporations coming under the purview of the Ministry.
2. Formulation of national policies to fulfill sustainable development targets
3. Formulation of monetary policies and macro-economic management in coordination with the Central Bank of Sri Lanka
4. Formulation of national development programmes and projects
5. Monitoring revenue collection and expenditure
6. Coordination between public and private sectors to facilitate the participation of private sector in economic development
7. Implementation of aforesaid policies, programmes and projects within the time frame agreed upon with the national planning authorities and ambit of budgeted resources for the accomplishment of the relevant national objectives
8. Formulation of appropriate strategies by adoption of modern management techniques to ensure that state policies are implemented with effective resource management
9. Coordination with international agencies and mobilization of foreign resources for economic development
10. Liaison with donor organizations and international financial institutions
11. Advisory services on fixing of salaries
12. Implementation of District Development Programmes, including Regional Development Programmes
13. Formulation of policies aimed at minimizing income disparity
14. Formulation, monitoring and evaluation of projects and programmes in relation to the subject of youth affairs
15. Formulation and implementation of attitudinal development programmes that aim to guide the young generation in the right direction
16. Implementation of youth-centric international development cooperation programmes
17. Implementation of unemployed youth-centric skills development programmes
18. Youth organization related work
19. Formulation of volunteer programmes for youth community.
20. All other subjects that come under the purview of Institutions coming under the purview of the Ministry
21. Supervision of the Institutions coming under the purview of the Ministry

1.4. Organization Structure



1.5 Main Divisions of the Ministry

The Ministry comprises the following main Divisions in order to coordinate the functions with the aforesaid institutions and to efficiently implementation of the tasks of the Ministry.

- Administration Division
- Planning Division
- Economic Affairs Division
- Youth Affairs Division
- Development and Projects Division
- Finance Division
- Internal Audit Division

1.5.1 Administration Division

Role of the Administration Division is as follows;

- 1 All internal administration affairs of the Ministry as well as all establishment and administrative matters of its staff
- 2 Coordination of administrative and establishment matters concerning the institutions coming under the purview of the Ministry
- 3 Submitting answers to the Parliamentary questions and attending to the complaints received by the Consultative Committee, Committee on Public Petitions, Committee on Public Accounts, Committee on Public Enterprises.

* Please see **Annex IV** for cadre details

1.5.2 Planning Division

Planning Division is assigned to coordinate and facilitate the preparation of effective and coherent National Policies, Programmes and Projects for the country. This Division plays a key role in;

- Facilitating and coordinating the public investment programs and projects of the government.
- Issuing guidelines, making recommendations to release allocations, coordinating of implementation, monitoring and reviewing the progress of the Decentralized Capital Budget (DCB) and Rural Infrastructure Development Programme (RIDP) and Rural Infrastructure Development Special Programme (RISP).
- Coordinating with international development agencies to mobilize foreign resources for development.
- liaising with donor agencies and international financial institutions
- Coordinating of Cabinet Papers/ Cabinet Observations relating to national level Policy Decisions and follow up of implementation of those decisions.
- Following up of decisions taken at the Cabinet Committee on Economic Management (CCEM) and Officials Committee on Economic Management (OCEM) decisions.
- Coordinating matters on Sustainable Development.
- Coordinating Parliamentary Sectoral Oversight Committee on Economic Development and Parliamentary Select Committee on Sustainable Development.
- Preparation of Performance Reports, Progress Reports, Annual Action Plans of the Ministry.
- Conducting Progress review meetings with institutions under the purview of Ministry.
- Facilitation of assignments on Mckinsey, Financial City, Redevelopment of Bogambara Prison Precinct.
- Reviewing of Ministry's Capital Budget Progress including Departments/ All Agencies.
- Facilitation of Jaffna Peninsula water project- feasibility study
- Coordination of Committee on Job Creation appointed by Hon. Prime Minister/ Minister of National Policies & Economic Affairs.

Function of the following Departments/ Institutions are also coordinated by the Planning Division;

- i. Department of National Planning
- ii. Department of External Resources
- iii. Department of Census and Statistics
- iv. Institute of Policy Studies

1.5.3 Economic Affairs Division

The major responsibilities of the Economic Affairs division are; Supervision of all economic policies, programmes and projects of the Government to ensure results as mentioned in the work plan of the Ministry. Responsible for formulation and coordination of preparation of National Economic Policies and Strategies, responsible to coordinate the public and private institutions/ activities, to facilitate the insurance industry and related laws and to coordinate the macro-economic management with Central Bank of Sri Lanka.

Coordination of functions and reviewing the progress of activities implemented by the institutions coming under the Economic Affairs Division such as;

- v. Central Bank of Sri Lanka
- ii. Security and Exchange Commission of Sri Lanka
- iii. Credit Information Bureau
- iv. National Salaries and Cadre Commission
- v. National Insurance Trust Fund
- vi. Public Utilities Commission of Sri Lanka
- vii. National Human Resource Development Council of Sri Lanka

1.5.4 Youth Affairs Division

Introduction

The objective of the Youth Affairs Division is to enhance skills, knowledge and attitudes of youth community in Sri Lanka towards emergence of politically and socio-economically productive youth generation for the country. Several institutions are functioning under the Youth Affairs Division, to accomplish the said tasks successfully.

Objectives

- To expand the prospects for enhancing the personality and skills of youth to enable them to contribute towards political and socio-economic development of the country.
- To enhance entrepreneurial opportunities among youth community to ensure that youth could engage in sustainable livelihood opportunities.
- To open up quantifiable and qualitative opportunities in vocational and technical educational spheres for the youth community.
- To promote youth centered activities in a manner which facilitate equal opportunities to youth.

Key Functions

- Formulation, follow-up activities and evaluations of projects and programmes in respect of the subject of youth affairs
- Formulation and implementation of attitudinal development programmes with the objective of guiding the youth generation into right direction
- Implementation of international/ cooperation development programmes centered on youth generation
- Implementation of capacity building programmes centered on unemployed youth
- Activities related to youth organizations
- Formulation of voluntary programmes aimed at youth community
- Implementation of national policies related to youth development
- Development and empowerment of the youth
- Enhancement of competitiveness in respect of sports and culture among youth community
- Development of leadership skills and personality of youth community
- Promotion of small enterprises sector among youth community

Institutions functioning under the Youth Affairs Division

- National Youth Services Council
- National Youth Corps
- Small Enterprises Development Division
- National Center for Leadership Development
- Youth Awards Division
- National Youth Services Cooperative Limited

1.5.5 Development and Projects Division

Formulation of policies & programs, coordination of project implementing agencies and donor funding agencies, and providing necessary facilities for implementation of the projects and programs are the major functions for the Development and projects Division of the Ministry of National Policies and Economic Affairs. As well, progress review, monitoring and evaluation of the programs and the projects are other functions carried out by Development and Projects Division.

Further, progress review, coordination, monitoring and evaluation of the projects implemented by the departments and institutions under purview of the Ministry of National Policies and Economic Affairs and also submission of progress reports to the institutions including Presidential secretariat, Ministry of Finance for facilitation of policy making process are other responsibilities for the Development and Projects Division.

In addition, necessary coordination for implementation of the projects carried out by UN organizations, USAid, World Food Program, the World Bank, European Union and Asian Development Bank is given by the division in order to achieve their targets and objectives of the projects.

Further, involving to northern development program under local funded, interfering to decentralization process of functions of the selected government agencies in to district and divisional level and coordination of established committees for which policy decisions are taken on social and economic issues in time are done by the Development and projects Division.

The operation and coordination of the following programs and projects are conducted by the Development and projects Division.

1. World Food Programm (WFP)
2. USAID Program
3. Agriculture Sector Modernization project
4. Tell the President Program

1.5.6 Internal Audit Division

The role of the Internal Audit Division

- Examine in order to verify that the internal inspection and control system being executed within the Ministry and the institutions coming under the purview of the Ministry is best effective, in the way of its formation as well as its actual performance, to yield the most productive results.
- Ascertain that required information is adequately provided for the preparation of accurate financial statements adhering to the accounting procedures which are being adopted to ensure accuracy and reliable of the accounting and other reports.
- Evaluation of the performance of the staff in discharging the duties and responsibilities assigned to them.
- Examine to ensure that adequate provisions are made to prevent any damage or harm to the properties of the Ministry or its institutions.
- Ascertain whether the instructions issued by the Establishment code, Financial regulations, the Ministry of Public administrations and the Treasury from time are strictly adhered to.
- Examine to ascertain the effectiveness of the internal control system which is in operation to disclose and eliminate the wastage, idle capacity, and over spending of funds.
- Examine the accounting procedure and the operations giving rise to spending of funds of the Ministry and its institutions as well as to ascertain whether the properties and assets of the Ministry and its institutions are used in a careful, sparing, and appropriate manner.
- Conduct special investigations whenever necessary.
- Apart from the above functions, the Internal Audit Division of the Ministry is also responsible to conduct Audit and management committee meetings in every three months to review the progress of the department and the institutions coming under the purview of the Ministry.

Performance up to 31.12.2017

1. Department of National Planning – Auditing financial and Administration affairs
2. National youths services council – Paying Rupavahini Corporation the arrears “ Thurunu Shakthi Saundarya Charika ” in 2000/2001
3. Checking fixed assets register and Inventory books of the Ministry
4. Thieves taking a part of the Sandalwood tree near the hostel “ Nugasevana (after cutting it down)
5. National Centre for Leadership Development – Checking Inventory books and Administration affairs
6. Auditing financial and Administration affairs at the Ministry
7. National Youth Corps – using for the abuse of vehicle ICC-8377 fraudulently
8. Department of project and Monitoring – checking Appropriation Account and Public affairs. Advance “ B ” Account in 2016
9. Department of project and Monitoring – Checking cash book and vote ledger
10. Department of project and Monitoring – Checking Fixed Assets Register and Inventory book.
11. National Youth Corps – Misuse of government fund (Personality recover lot of money from print lottery tickets).
12. World Food Program - Checked Cadre, Personal files, and Inventory books.
13. World Food Program - Internal Audit report of vehicle owned of the project.
14. World Food Program - Examined Financial and Physical Progress of Action plan, Final Account, and vote ledger
15. Department of External Resources Financial Audit
16. Department of National Planning - Examined fixed Assets Register and vehicle owned of the Department
17. Ministry of National Policies & Economic Affairs – Examined cash book and Bank reconciliation for the month of October 2017
18. Four Audit and Management Committee meetings were held to review the progress to the Ministry, Departments and the institutions coming under purview of the Ministry.

1.5.7 Finance Division

Key Functions of the Finance Division are as follows;

- Coordination of preparing Annual Budget Estimation of the Ministry.
- Making of Ministry Salary and Other Payments.
- Preparation of Final Account of Ministry.
- Assets Management of the Ministry including Annual Board of Survey.
- Reporting and recording expenditures to relevant Authorities.
- Implementation of Procurement Activities of the Ministry.
- Providing financial information for Decision making purpose of the Ministry.

Chapter 02

Major Programmes and Projects implemented during 2017

2.1 Decentralized Capital Budget Programme (DCB) 2017

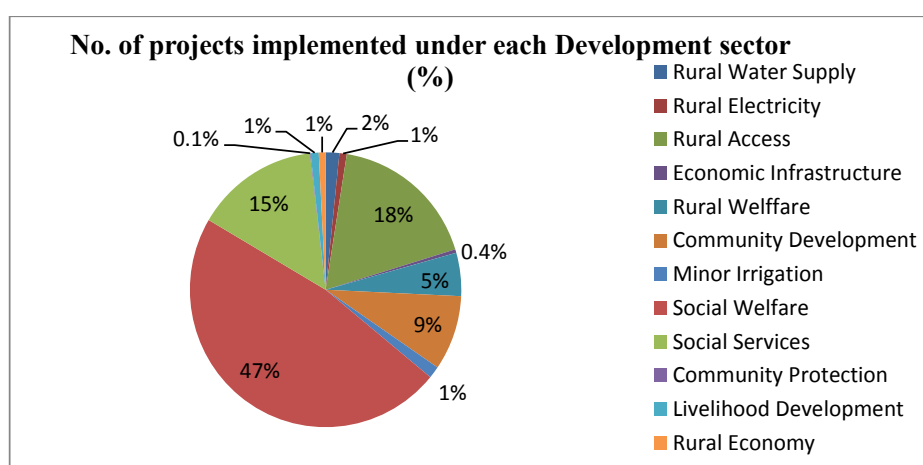
With the objective of enhancement of socio-economic life of the community, a policy decision has been taken in year 2016 to allocate Rs. 10.00 million annually for a Member of Parliament (MP) under the Decentralized Capital Budget Programme (DCB).

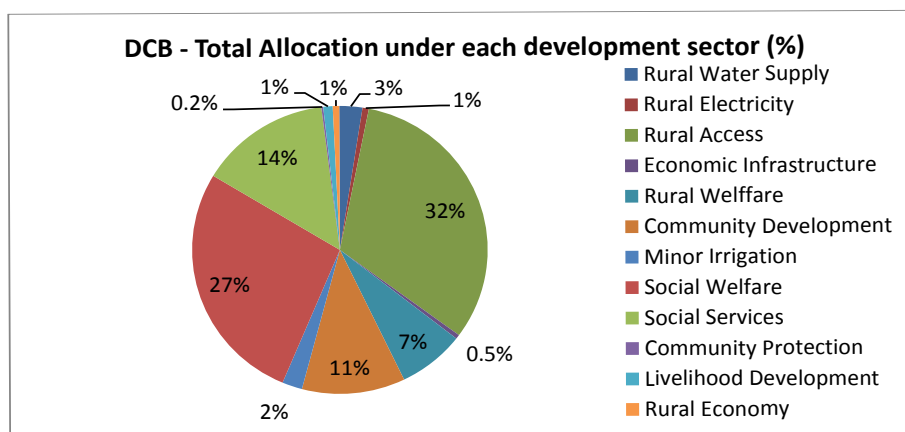
Details of approved projects and allocation under each category are stated in the Table below.

Decentralized Capital Budget Programme 2017 – Details of Projects Approved and Allocation Made

Development Sectors	No. of Projects	%	Allocation Rs. Mn	%
Rural Water Supply	294	2%	56.00	3%
Rural Electricity	158	1%	15.53	1%
Rural Access	3204	18%	710.03	32%
Economic Infrastructure	75	0.4%	10.54	0.5%
Rural Welfare	919	5%	162.03	7%
Community Development	1593	9%	251.30	11%
Minor Irrigation	254	1%	48.85	2%
Social Welfare	8578	47%	606.22	27%
Social Services	2650	15%	319.74	14%
Community Protection	15	0.1%	4.57	0.2%
Livelihood Development	174	1%	22.84	1%
Rural Economy	146	1%	15.84	1%
Total	18,060	100%	2223.49	100%

Table 2.1 a: DCB – Details of Projects





Accordingly, 18,060 projects were approved and 17,987 projects were fully completed and physical progress is 99.60%. Rs. 2,223.46 Mn was allocated for the approved projects and total value of the completed projects is Rs. 2,157.65 Mn. Financial progress is 97.04%. Further, during this year, Rs. 62.38 Mn of allocation was released to relevant Districts to settle the outstanding bills of projects implemented in 2016. District wise physical and financial progress (including Bills in hand) is stated in table below.

No.	District	Total No. of Projects Approved	Total No. of Projects Completed	Total Allocation Made (Rs.Mn)	Total value of the Completed Projects (Rs.Mn)
1	Ampara	698	696	84.00	80.68
2	Anuradhapura	1,165	1,163	92.04	90.25
3	Badulla	634	630	94.34	91.37
4	Batticaloa	469	469	59.99	59.26
5	Colombo	1,213	1,207	231.69	215.08
6	Galle	928	928	103.20	101.96
7	Gampaha	771	744	200.61	188.94
8	Hambanthota	611	611	71.24	69.37
9	Jaffna	692	692	69.65	69.49
10	Kalutara	595	595	117.21	122.33
11	Kandy	1,567	1,567	146.95	143.53
12	Kegalle	664	656	96.71	93.13
13	Kilinochchi	147	147	14.10	14.07
14	Kurunegala	1,768	1,766	154.63	152.87
15	Mannar	296	296	26.45	26.11
16	Matale	751	751	52.15	51.25
17	Matara	1,001	987	101.28	92.70
18	Moneragala	574	569	59.70	54.29
19	Mullaitivu	195	194	24.95	25.39
20	Nuwara Eliya	567	567	83.30	82.17
21	Polonnaruwa	489	487	52.61	57.89
22	Puttalam	716	716	87.25	85.65
23	Ratnapura	926	926	119.51	110.69
24	Trincomalee	394	394	56.16	55.99
25	Vavuniya	229	229	23.76	23.19
Total		18,060	17,987	2,223.46	2,157.65

Table 2.1 b: DCB – District wise physical and financial progress

2.2. Rural Infrastructure Development Programme (RIDP) 2017

In 2017 Rural Infrastructure Development programme was implemented as an extension of Rural Infrastructure Development programme in year 2016 which was initiated as per the instructions and direction of Hon. Prime Minister with the objective of to enhance employment and livelihood opportunities through development of supportive infrastructure and uplifting socio-economic status of entire communities. Special focus had been given to the rural areas and projects which development of supportive infrastructure generates self-employment opportunities for the youth and women.

Rural Infrastructure Development Programme was implemented in all Grama Niladari Divisions (GNDs) in the country and Rs. 500,000.00 was allocated to each GND. Objective of the RIDP is to strengthen the rural economy, development initiatives under various sectors including rural roads and bridges, community based water supply schemes, community wells and agro-wells, electricity supply, irrigation, rural fairs, fisheries outlets, etc.

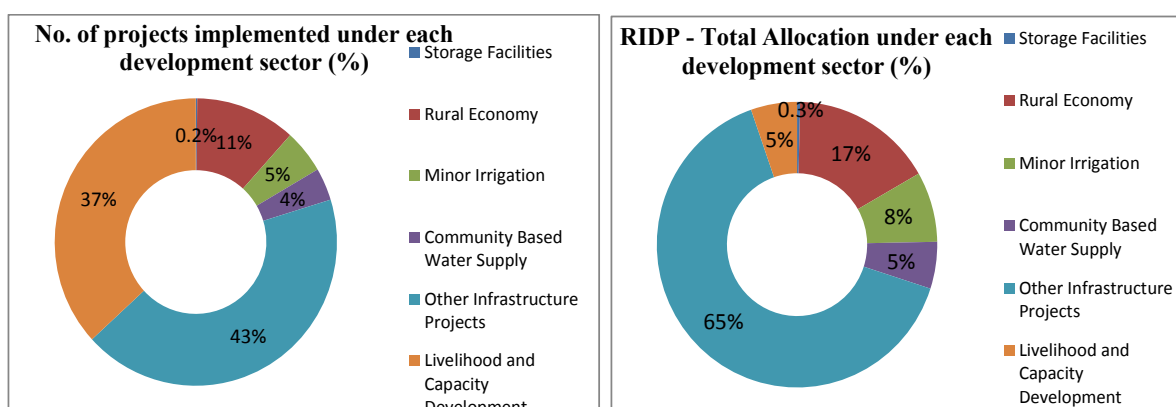
Number of projects approved under each category and allocation distribution under the above programme is stated in the Table below.

Rural Infrastructure Development Programme– Details of Projects Approved and Allocation Made

Development Sectors	No. of Projects	%	Allocation Rs. Mn	%
Storage Facilities	48	0.2%	24.45	0.3%
Rural Economy	3370	11%	1144.72	16%
Minor Irrigation	1443	5%	557.15	8%
Community Based Water Supply	1073	4%	371.11	5%
Other Infrastructure Projects	12590	43%	4525.13	65%
Livelihood and Capacity Development	10804	37%	371.98	5%
Total	29328	100%	6994.54	100%

Table 2.2 a : Project Details of the RIDP Projects

Sectors wise Projects and Allocation under RIDP 2017



In 2017 under the RIDP programme 29,328 projects were approved and 29,136 projects were completed. Physical progress is 99.35%. Rs. 6994.54 was allocated for the approved projects and total value of the completed projects is Rs. 6832.42. Financial progress is 97.68%. District wise physical and financial progress (including Bills in hand) is stated in the table below.

No.	District	Total No. of Projects Approved	Total No. of Projects Completed	Total Allocation Made (Rs.Mn)	Total Value of Completed Projects (Rs.Mn)
1	Ampara	700	700	251.50	239.45
2	Anuradhapura	864	864	347.00	337.71
3	Badulla	831	831	283.50	280.75
4	Batticaloa	375	375	172.50	170.26
5	Colombo	718	717	265.62	235.62
6	Galle	5,146	5,098	446.55	439.54
7	Gampaha	2,069	2,032	588.50	556.22
8	Hambanthota	728	696	288.00	283.00
9	Jaffna	516	516	217.50	217.43
10	Kalutara	1,316	1,316	380.99	382.05
11	Kandy	5,123	5,122	593.16	585.34
12	Kegalle	1,073	1,063	285.50	281.44
13	Kilinochchi	105	105	47.50	46.99
14	Kurunegala	2,155	2,155	805.00	794.84
15	Mannar	193	193	76.50	76.20
16	Matale	1,043	1,043	272.50	272.33
17	Matara	813	783	325.00	304.73
18	Moneragala	1,353	1,326	157.89	156.76
19	Mullaitivu	156	156	68.00	67.86
20	Nuwara Eliya	532	531	245.17	244.17
21	Polonnaruwa	382	382	149.15	147.19
22	Puttalam	1,815	1,815	274.00	266.69
23	Ratnapura	884	879	287.50	281.44
24	Trincomalee	284	284	115.00	114.08
25	Vavuniya	154	154	51.00	50.32
Total		29,328	29,136	6,994.5	6,832.42

Table 2.2 b: District wise physical and financial progress

1. Mathara District– Welipitiya DS Division
- Development of Welangoda Kovil Road



2. Anuradapura District– Galenbidunuwewa DS Division
Development of canal of Ranawara wewa



3. Polonnaruwa District– Lankapura DS Division
Batticaloa District– Manmunai North DS Division
- Development of Almadhina School Road



4. Providing productive equipments for cottage industries



2.2.1 Best Rural Infrastructure Development Project -2017

Rural Infrastructure Development Programme (RIDP) 2016 was implemented by the Ministry of National Policies and Economic Affairs as per the instruction and guidance of Hon. Prime Minister. Objective of the RIDP programme was to develop rural infrastructure facilities to improve the livelihood opportunities and economic productivity and uplifting socio-economic welfare status leading to improved quality of life of the community. In 2016 Rs. 1.0 million each was allocated for all GN Divisions except those coming under the jurisdiction of Municipal Councils. Projects were implemented under the supervision of District Secretaries. The projects implemented during 2016 were selected by the community through a participatory approach.

On the instructions of Hon. Prime Minister, MNP&EA organized through District Secretaries and Chief Secretaries of Provincial councils to conduct an island wide competition to select the Best RIDP Project in 2016 at each Divisional level, District level, Provincial Level and finally at National level.

Accordingly, the selection of Best RIDP 2016 project at each Divisional level, District level, Provincial Level and National level was concluded in 2017. As approved, Rs. 200,000.00 for the District level and Rs. 100,000.00 for the Divisional level have been awarded as prizes in 2017 to implement a development project identified by the community where the best project selected and projects were implemented and completed in 2017.

Accordingly, in 2017 under the above programme 297 projects were approved and 276 projects were completed. Physical progress is 92.92%. Rs. 32.60 million was allocated for the approved projects and total value of the completed projects is Rs. 29.53 million. Financial progress is 90.58%. National and Provincial level prizes will be awarded in 2018.

2.3 Special Programme for Infrastructure Development – 2017

2.3.1 Phase - 1

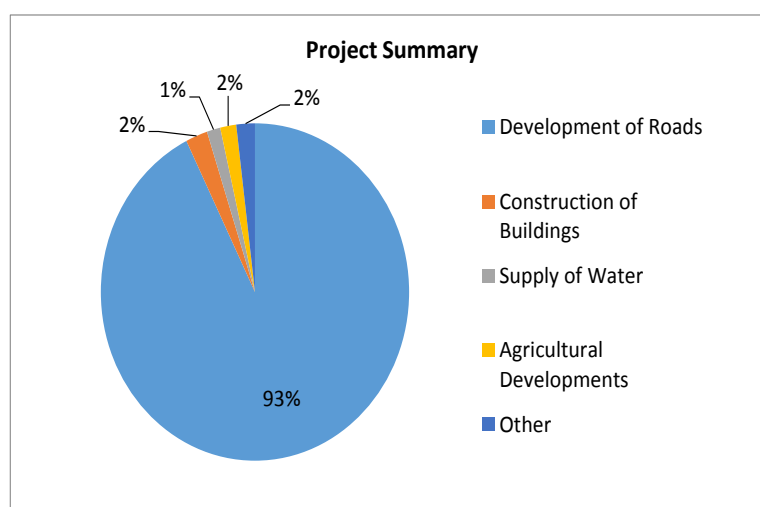
Launching of the Special Programme for Infrastructure Development on District Level was commenced in 2016. A sum of **Rs. 3471.24** Million was allocated in 2017 to implement this Programme which initiatives were taken to uplift the socio- economic standard of the rural masses. The reducing of differences of the rural and urban areas, have been expected to gained direct and indirect returns- uplift the living standard through the implementation of this Programme.

Projects were identified and implemented under the sectors such as construction/development of rural bridges and culverts, construction/improvement of roads, development of small irrigation canals, water supply projects, restoration of projects damaged by the natural calamities, construction of markets (Kadamandi), weekly fairs/economic centers which fetch a higher price and a higher demand for the products, construction of buildings, agricultural development etc.

A summary of the projects identified and implemented under the above sectors is given bellow:

Serial No.	Component	Provision Approved (Rs. Mn)	No. of Projects Approved	No.of Projects Completed as at 31/12/2017	Total value of the Projects completed as at 31.12.2017 (Rs. Mn.) with bills in hand
01.	Development of roads	3310.23	1215	1048	2471.72
02.	Construction of buildings	57.01	32	26	48.76
03.	Supply of water	34.29	21	16	31.16
04.	Agricultural developments	25.79	19	19	24.83
04.	Other	43.96	26	22	37.96
Total		3471.24	1313	1131	2614.43

Table No: 2.3: summary of the projects identified and implemented



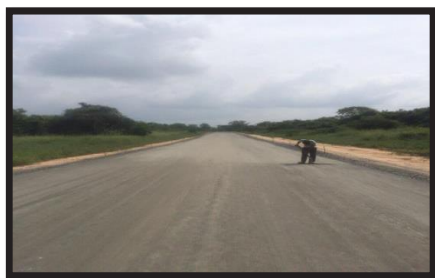
Accordingly, out of the 1314 projects being approved under this programme, 1131 projects were completed as at 31st December 2017. Physical progress of the completed projects is 86.07%. Thus, the value of the total number of projects completed is Rs.2614.43 Million and the financial progress of the projects is 75.32%.

The programme which was implemented with the objective of uplifting the socio-economic standard of the rural masses covered the districts of Ampara, Anuradhapura, Badulla, Batticaloa, Colombo, Galle, Gampaha, Hambantota, Kalutara, Kandy, Kegalle, Kurunegala, Matale, Matara, Monaragala, Nuwaraeliya, Polonnaruwa, Puttalam, Rathnapura and Trincomalee.

Special Programme for Infrastructure Development – 2017



Construction of the Fish Market in Kahawatta, Rathnapura Rs. 25.0 Mn



Carpeting the Kibissa Digampathaha road in Matale
Rs. 110.0 Mn



Concreting the Moragala Sadunpura Heelbathgala Dompe
access road Rs. 1.0 Mn



Constructing of thrashing floor at 242 in Dibulagala,
Polonnaruwa Rs. 1.0 Mn



Concreting of Waligepola Makulgahamada Road
Rs. 0.23 Mn

2.3.2 Phase 2

The Special Programme for Infrastructure Development (Phase 2) was commenced in 2017. A sum of Rs. 4301.05 Million has been allocated to implement this programme under which initiatives are taken to implement the projects that would contribute to uplift the socio- economic standard of the people.

Projects have been identified and implemented under the sectors such as development of roads, construction/renovation of minor irrigation facilities, storage facilities for agricultural produce, weekly fairs/modern marketing centres, rural water supply projects, small scale rural electricity projects, improving infrastructure facilities in primary and secondary schools, improving playgrounds, public toilets and library facilities, construction of maternity clinics and rural dispensaries and rural health care centres and improving infrastructure of such clinics, erecting and improving agro wells, distribution of sports items to registered sports clubs and societies , etc.

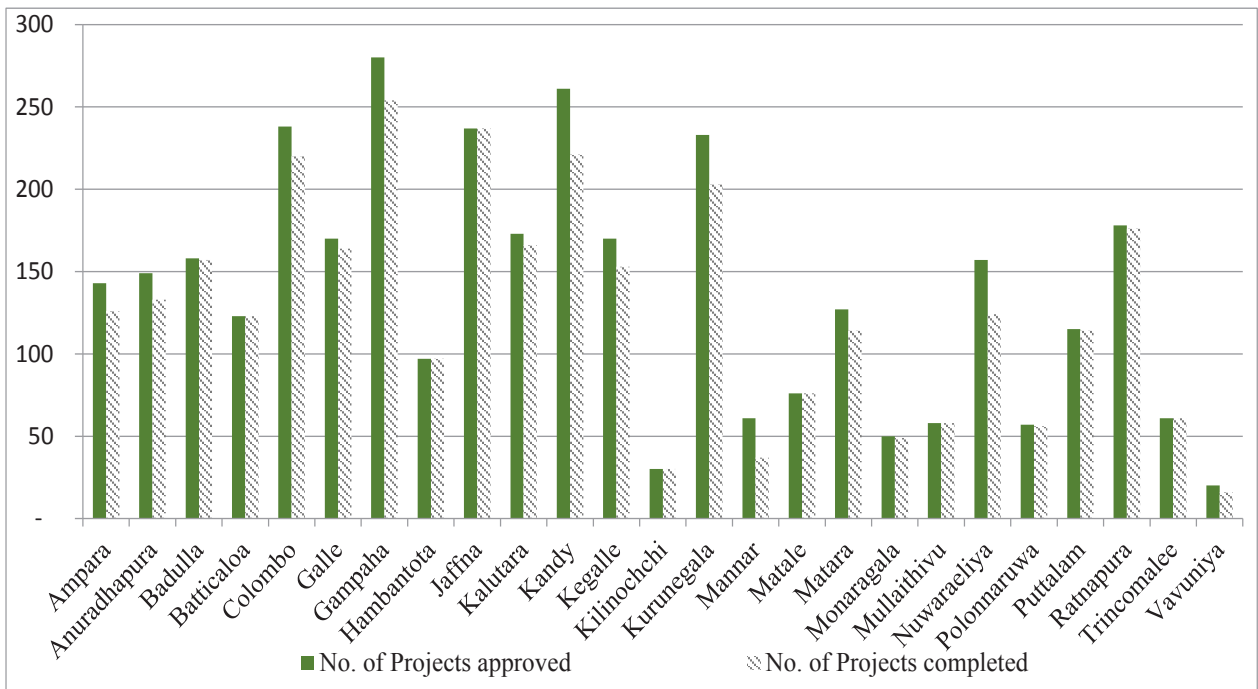
A summary of the projects identified and implemented under the above sectors are given below:

S.No.	District	No. of Projects approved	No. of projects completed as at 31.12.2017	Physical Progress (%)	Provision Approved (Rs. Mn.)	Total value of the Projects completed as at 31.12.2017 (Rs. Mn.) with bills in hand	Financial Progress (%)
01.	Ampara	143	126	88.11	190.0	161.03	84.75
02.	Anuradhapura	149	133	89.26	165.0	149.27	90.47
03.	Badulla	158	157	99.37	200.0	152.35	76.18
04.	Batticaloa	123	123	100	161.5	159.21	98.58
05.	Colombo	238	220	92.44	391.95	241.92	61.72
06.	Galle	170	164	96.47	200.0	195.29	97.65
07.	Gampaha	280	254	90.71	351.5	274.74	78.16
08.	Hambantota	97	97	100	120.0	111.86	93.22
09.	Jaffna	237	237	100	310.0	309.91	99.97
10.	Kalutara	173	166	95.95	216.0	190.33	88.12
11.	Kandy	261	221	84.67	299.5	252.78	84.4
12.	Kegalle	170	153	90	192.6	174.68	90.7
13.	Kilinochchi	30	30	100	40.0	39.99	99.98
14.	Kurunegala	233	203	87.12	300.0	273.79	91.26
15.	Mannar	61	37	60.66	77.5	45.76	59.05
16.	Matale	76	76	100	80.0	77.36	96.7
17.	Matara	127	114	89.76	149.5	126.62	84.7
18.	Monaragala	50	49	98	65.0	63.57	97.8
19.	Mullaithivu	58	58	100	62.0	60.34	97.32
20.	Nuwaraeliya	157	124	78.98	160.0	152.51	95.32
21.	Polonnaruwa	57	56	98.25	70.0	68.88	98.4
22.	Puttalm	115	114	99.13	157.5	121.18	76.94
23.	Ratnapura	178	176	98.88	206.5	199.15	96.44
24.	Trincomalee	61	61	100	88.0	76.07	86.44
25.	Vavuniya	20	16	80	47.0	19.39	41.26
	Total	3422	3165	92.49	4301.05	3697.98	85.98

Table No. 2.4 : Special Programme for Infrastructure Development – 2017 (Phase 2) - Summary of the Projects Completed - 31.12.2017

Accordingly, out of the 3422 projects being approved under this programme, 3165 projects were completed as at 31st December 2017. Physical progress of the completed projects is 92.49%. Thus, the value of the total number of projects completed is Rs.3697.98 Million and the financial progress of the projects is 85.98%.

Special Programme for Infrastructure Development – 2017 (Phase 2) - Projects Approved
Summary of the Projects Completed as at 31.12.2017



Concreting of Kirigala Karamatiya Road in Badulla Rs. 1.5 Mn.



Concreting of Wellaimannal Neroththumunai 5th Lane in Trincomalee Rs. 1.5 Mn

2.4 Programme for Development of Religious Centres – 2017

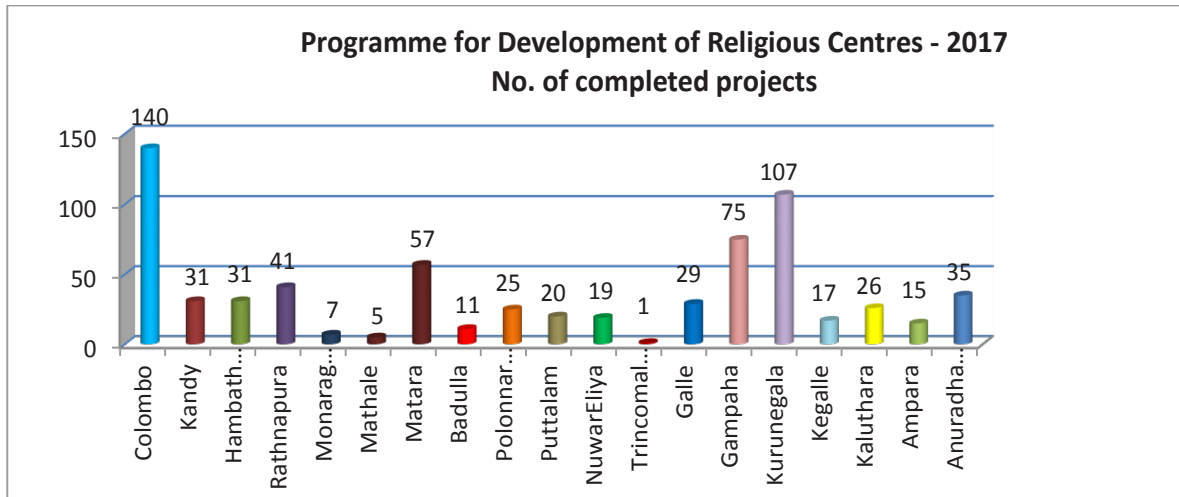
Programme for development of religious centres is continuing in the year 2017 and Rs.300Mn. has been allocated for the implementation of the programme. The objective of the programme is to hinder the moral degradation taking place in the society and provide a religious access for creation of a civilized society with a religious upbringing.

Renovation of buildings, construction and development of Daham School buildings, renovation/construction of monasteries, construction/renovation of vehicle parks, construction/modernization of multi-purpose buildings, construction/modernization of dormitories and Pirivenas in religious centres, development of access roads, construction/modernization of library buildings, provision of electricity, water and sanitary facilities, supply of equipment for moral development programmes, trainings and workshops for Daham School Teachers are some of the implemented projects at identified Religious Centres under the programme.

Given below is the summary of the projects identified and implemented in respect of the above.

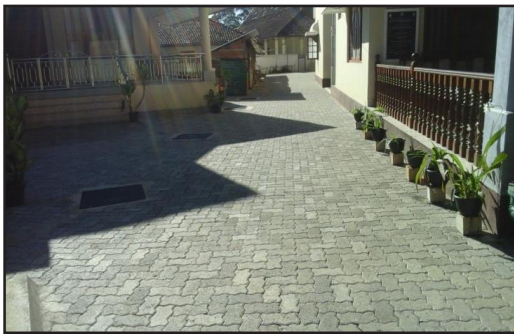
Serial No.	District	No. of approved projects	No. of completed projects	physical progress %	Approved allocation (Rs.)	Total value of projects completed as at 31.12.2017 (Rs.) (with Bills in hand)	financial progress %
1	Colombo	144	140	97.22	62,578,702.20	60,821,895.60	97.19
2	Kandy	54	53	98.15	20,900,000.00	20,893,938.17	99.97
3	Hambanthota	31	31	100	11,697,862.71	11,653,748.86	99.62
4	Rathnapura	41	41	100	14,800,000.00	14,535,652.93	98.21
5	Monaragala	07	07	100	2,389,019.27	1,987,394.49	83.19
6	Mathale	05	05	100	1,500,000.00	1,493,027.60	99.54
7	Matara	62	57	91.94	25,585,360.01	23,958,454.25	93.64
8	Badulla	11	11	100	3,993,401.14	3,884,209.61	97.27
9	Polonnaruwa	25	25	100	11,400,000.00	11,400,000.00	100
10	Puttalam	20	20	100	5,499,117.00	5,445,427.90	99.024
11	NuwarEliya	19	19	100	6,300,000.00	6,230,076.59	98.89
12	Trincomalee	02	01	50	1,478,000.00	996,360.48	67.41
13	Galle	29	29	100	10,150,000.00	9,957,696.95	98.11
14	Gampaha	76	75	98.68	28,698,109.29	27,712,033.92	96.56
15	Kurunegala	108	107	99.07	40,697,575.01	39,763,280.71	97.70
16	Kegalle	18	17	94.44	7,699,745.54	7,120,641.98	92.48
17	Kaluthara	26	26	100	13,200,000.00	12,908,974.95	97.80
18	Ampara	15	15	100	8,300,000.00	8,095,194.52	97.53
19	Anuradhapura	35	35	100	14,112,156.23	13,691,534.43	97.02
		728	714	98.08	290,979,048.40	282,549,543.94	97.10

Table 2.5: summary of the projects being identified and implemented



- ❖ According to the Dev of Religious Centers Programme in 2017, 714 Projects were Successfully Completed. It's physical progress is 98.08% The total value of projects completed as at 31.12.2017 is RS. 282,549,543.94 and it's financial progress is 97.10%.

Programme for Development of Religious Centres – 2017



Interlock paving of around the Asgiri Nila Aramaya Rs.1,350,000/-



Renovation of roof Asgiri Gunnepana temple - Rs. 590,000/



Making a roof for Dhamma School building in Jayasumanarama Temple at Mahava secretarial Division -Rs.300,000.00



Tiling and set up the valance board the Monastery of Sri Kethtarama Temple
Rs .300,000.00

2.5 Planning and Policy Implementation Activities

2.5.1 Submission of Cabinet Memoranda

Cabinet Memoranda submitted by the Ministry of National Policies & Economic Affairs from 01.01.2017 to 31.12.2017 are as follows

S.N	Cabinet Memorandum No.	Subject
1	MNPEA/2016/091	Financial Assistance for Supply of Medical Equipment to the Medical Faculties for Rajarata and Eastern Universities and the Faculty of Allied Health Science of the University of Peradeniya
2	MNPEA/2017/001	Regulation of Electric Vehicle Charging Stations
3	MNPEA/2017/002	Additional Financing for Kaluganga Development Project from Kuwait Fund for Arab Economic Development (KFAED)
4	MNPEA/2017/003	Procurement of Government Securities Trading IT Infrastructure
5	MNPEA/2017/004	Report of the Secretary, Ministry of National Polices and Economic Affairs as per decision of the Cabinet of Ministers at the meeting held on 15.11.2016
6	MNPEA/2017/005	Taking over the Land at Iranawila from US Embassy
7	MNPEA/2017/006	Submission of Annual Report of Statutory Bodies Employees' Trust Fund Board Annual Report – 2015
8	MNPEA/2017/007	Allocation of UDA land at Perahera Mawatha, Colombo 03 to the Colombo Plan Secretariat (CPS)
9	MNPEA/2017/008	A Project Design Advance (PDA) Loan from the Asian Development Bank (ADB) to finance the project preparatory activities of the Northern Province Sustainable Fisheries Development Project
10	MNPEA/2017/009	Establishment of Neonatal and Obstetrics Reference Center for the De Soyza Maternity Hospital Project
11	MNPEA/2017/010	Construction of Rural Bridges
12	MNPEA/2017/011	Improvement and Rehabilitation of Priority Road Project 2 (PRP 2)
13	MNPEA/2017/012	Amending the Assistance Agreements Signed with United States of America
14	MNPEA/2017/013	Budget Financing 2017
15	MNPEA/2017/014	Loan Facility Agreement with Hungarian Export - Import Bank Private Limited to Finance the Rehabilitation of Labugama and Kalatuwawa Water Treatment Plants
16	MNPEA/2017/015	Framework Agreement on the tax and Customs Regime Applicable by the Partner Country to Projects Funded from the General Budget of the European Union
17	MNPEA/2017/016	Appointment of a Coordinating Secretary under the Ministry of National Policies and Economic Affairs
18	MNPEA/2017/017	Setting up of the Central Programme Management Unit (CPMU)

19	MNPEA/2017/018	Obtaining a Credit of Special Drawing Rights (SDR) being the equivalent of United States Dollars (USD) 75 million from the International Development Association (IDA) of the World Bank for the Financing Sector Modernization Project
20	MNPEA/2017/019	Granting relief to those who have undergone difficulties due to political reasons
21	MNPEA/2017/020	Obtaining Grant Assistance of Euro 44.5 million for Agriculture Sector Modernization and Reconciliation Process
22	MNPEA/2017/021	Rs. 327 million (Japanese Yen 250 million) Grant Aid for Improvement of Public Security and Strengthening of Counterterrorism Activities (Economic & Social Development Program) under Japanese Non Project Grant Aid - 2017
23	MNPEA/2017/022	Proposal for granting credit facilities for development of Small and Medium Scale Enterprises and Generation of Employment
24	MNPEA/2017/023	Establishment of a Policy Innovation Lab
25	MNPEA/2017/024	Appointment of Mr. Athula A. Seneviratne as Advisor to help fast track the implementation of the Development Programme by coordinating and assisting with financial and economic issues
26	MNPEA/2017/025	Appointment to the post of Advisor on Coordination of Rural Development Programs in the Ministry of National Policies and Economic Affairs
27	MNPEA/2017/026	Amendments to Employees' Trust Fund Board Act No.46 of 1980
28	MNPEA/2017/027	Census of Population and Housing - Year 2021 Mapping Stage
29	MNPEA/2017/028	Development of Pharmaceutical Manufacturing Industry
30	MNPEA/2017/029	Taking over the land Iranawila from US Embassy
31	MNPEA/2017/030	Utilization of Government Donated 50,000mt of Rice to the World Food Programme
32	MNPEA/2017/032	The Draft Bill Titled Securities Exchange Act 2017
33	MNPEA/2017/033	Submission of Annual Report of Statutory Bodies Public Utilities Commission of Sri Lanka, Annual Report – 2015
34	MNPEA/2017/034	Defining the Outcomes and Priorities for the Economic Delivery Programme (EDP) and mandate for the Central Programme Management Unit (CPMU)
35	MNPEA/2017/035	The Project for Establishment of National College of Education and Teacher Training System for Technology Stream
36	MNPEA/2017/036	Developing a Mechanism for Transferring the Ownership of Condominium and Non Condominium Projects to Dwellers Who have lived there on long term basis
37	MNPEA/2017/037	Kalu Ganga Water Supply Expansion Project I
38	MNPEA/2017/038	Rural Infrastructure Development Project in Emerging Regions
39	MNPEA/2017/039	Concession Financial Assistance from the Netherlands
40	MNPEA/2017/040	Bogambara Prison Precinct Redevelopment Implementation
41	MNPEA/2017/041	Government Local Office Costs (GLOC) of United Nations Development Programme (UNDP)
42	MNPEA/2017/042	Investments in the Public Infrastructure through Private Public Partnership (PPP) Model

43	MNPEA/2017/043	Obtaining a Credit of Special Drawing Rights (SDR) being the equivalent of United States Dollars (USD) 33 million from the International Development Association (IDA) of the World Bank and a Credit of United States Dollars (USD) 67 million from the International Bank for Reconstruction and Development (BRD) for the Accelerating Higher Education Expansion and Development (AHEAD) Operation
44	MNPEA/2017/044	Rs. 1.3 billion (Japanese Yen 01 billion) Grant Aid for Improvement of the Port and Nautical Activities (Economic & Social Development Program) under Japanese Non Project Grant Aid – 2017
45	MNPEA/2017/045	Elevated Expressway from Kelani Bridge to Aturugiriya
46	MNPEA/2017/045-1	Elevated Expressway from Kelani Bridge to Aturugiriya
47	MNPEA/2017/046	Progress of the Projects Implemented through the Capital Budget in the Year 2016
48	MNPEA/2017/047	Budget Financing 2017
49	MNPEA/2017/048	Extension of the Services of Mr M O A de Zoysa, as Adviser to the Ministry of National Policies and Economic Affairs
50	MNPEA/2017/049	Developing a Cultural Hub of South Asia in Colombo
51	MNPEA/2017/050	Extension of the Service Period of Young Professionals
52	MNPEA/2017/051	Budget financing 2017
53	MNPEA/2017/052	Implementation of the Budget Proposals - Interest free Loan Scheme to students to follow the degree programmes in Non - State Degree Awarding Institutions
54	MNPEA/2017/054	Agreement between Democratic Socialist Republic of Sri Lanka and Republic of France Concerning the Establishment of France Agency for Development (Agence Francaise de Development – AFD) in Sri Lanka
55	MNPEA/2017/055	To introduce a Common Competency Framework for Productive & Ethical Public Service Culture
56	MNPEA/2017/056	Obtaining Financial Assistance from the French Agency for Development for the Implementation of Green Power Development and Energy Efficiency Improvement Investment Program – Tranche 2
57	MNPEA/2017/057	Thalpitigala Reservoir Project
58	MNPEA/2017/058	Financial Assistance for Pilot Project on Establishment of a Ground Water Monitoring Network in Three Selected Districts
59	MNPEA/2017/059	A Dollar Credit Line USD 45.27 million from the Government of India for financing the Rehabilitation of Kankasanthurai Harbour
60	MNPEA/2017/060	Repayment of loans obtained from Iran
61	MNPEA/2017/061	Recruitment of Teachers Engaged in Service on Voluntary Basis into the Class – 3 Grade II of the Teacher’s Service in the Northern Province
62	MNPEA/2017/062	Project for the Establishment of a Doppler Weather Radar Network in Sri Lanka Japan International Cooperation Agency (JICA)
63	MNPEA/2017/063	Submission of the Annual Report of the Central Bank of Sri Lanka for the year 2016 to the Parliament

64	MNPEA/2017/064	Vesting of Five Land Plots in Kalpitiya bearing Final Village Plan (FVP) Numbers 3296, 3314, 3315, 3320 and 3322 of the Surveyed Plan to the Sri Lanka Tourism Development Authority (SLTDA) for the Promotion of Tourism Industry
65	MNPEA/2017/065	Kandy North – Pathadumbara Integrated Water Supply Project
66	MNPEA/2017/066	Budget Financing 2017
67	MNPEA/2017/067	Concessional Financial Assistance from Finland
68	MNPEA/2017/068	Obtaining Financial Assistance for the Construction Project of the High Altitude Sports Complex in Nuwara Eliya
69	MNPEA/2017/071	Reinsurance Cover for National Disaster and Emergency Relief Insurance Scheme for the Year 2017/18
70	MNPEA/2017/072	Adopt a Lease-Bank OPEX Module to Cater to Government Sponsored Buildings
71	MNPEA/2017/073	Upgrading of Operation theatres and ICU Equipment under Austrian Soft Loan
72	MNPEA/2017/074	Project for Enhancing and Upgrading of Institute of Engineering Technology, Katunayake
73	MNPEA/2017/075	Japanese Grant Aid for Human Resources Development Scholarship Programme
74	MNPEA/2017/076	Central Expressway Project Section 1 – from Kadawatha to Meerigama Financing for Providing Consultancy Services for Design Review and Construction Supervision
75	MNPEA/2017/077	Amending the Assistance Agreement for Strengthened Partnership for Democratic Reform & Social Integration Signed with United States of America
76	MNPEA/2017/078	Augmentation of Water Pipelines along with the Orugodawatta – Ambatale Road Development Project
77	MNPEA/2017/079	Submission of Annual Report of Statutory Bodies National Human Resources Development Council of Sri Lanka, Annual Report - 2015
78	MNPEA/2017/080	Creating a Special Purpose Vehicle (SPV) in the Treasury for the Low Income Group (LIG) and Middle Income (MIG) Home Ownership Programme – Funding Arrangement
79	MNPEA/2017/081	Current Status of ETI Finance Limited and Regulatory Actions proposed under the Finance Business Act No. 42 of 2011
80	MNPEA/2017/082	Liability management to improve public debt management
81	MNPEA/2017/084	Comprehensive Study on Supply of Potable Water to the Population in Jaffna Peninsula through the Development of Water Resource in the Vadamarachchi Lagoon
82	MNPEA/2017/085 (081)	Developing a Cultural Hub of South Asia in Colombo
83	MNPEA/2017/086	Introducing a Loan Scheme for Young Graduates for Business Start-ups
84	MNPEA/2017/087 (86)	Setting up of Emergency Pre Hospital Care Ambulance Service in Sri Lanka
85	MNPEA/2017/088	Appointment of Development Officers with inbuilt Trainee Programme
86	MNPEA/2017/089	Streamlining of Procurement Appeal Process
87	MNPEA/2017/090	Acquisition of Government Vehicles on Operating Lease Basis

88	MNPEA/2017/091	Automatic Promotional Scheme for Special Grade Sri Lanka Administrative Service, Sri Lanka Accountant's Service and Sri Lanka Planning Service
89	MNPEA/2017/092	Reconciliation Focused High Priority Road Development Projects in the Northern and Eastern Provinces
90	MNPEA/2017/093	Traditional Brick and Mortar Type Permanent Housing Programme for Conflict Affected Families in the Northern and Eastern Provinces
91	MNPEA/2017/094	Obtaining a Credit of Special Drawing Rights (SDR) 55.4 million being the equivalent of United States Dollars (USD) 75 million from the International Development Association (IDA) of the World Bank for the Financial Sector Modernization Project
92	MNPEA/2017/095	Kattankudy Wastewater Disposal Project
93	MNPEA/2017/096	Issuance of Visas on Gratis basis to Mission Members of Foreign Development Partners
94	MNPEA/2017/097	Strengthening the Revenue Monitoring Unit to the Ministry of National Policies and Economic Affairs
95	MNPEA/2017/098	Financial Assistance from the Asian Development Bank (ADB) for the Implementation of the Second Integrated Road Investment Program
96	MNPEA/2017/099	Procurement of 09 Nos Diesel Multiple Units for Upcountry line Operation of Sri Lanka Railway Project
97	MNPEA/2017/100	Obtaining 100 Ambulance Cars for Government Hospitals under Austrian soft loan scheme
98	MNPEA/2017/101	Appointment of Mr N V K K Weragoda as Adviser to the Ministry of National Policies and Economic Affairs
99	MNPEA/2017/102	Financial Assistance from the Asian Development Bank (ADB) for the Implementation of Wind Power Generation Project
100	MNPEA/2017/103	Katana Water Supply Project
101	MNPEA/2017/104	Thambuttegama Water Supply Project
102	MNPEA/2017/105	Supply of Railway Bridges and Turn-Table and Auxiliary Supplies and Service for Maintenance and Expansion of Railway Network under Austrian Soft Loan Scheme
103	MNPEA/2017/106	Extend the Validity Period of Mandate Letter issued to the Bank of Tokyo-itsubishi UFJ, Ltd. to arrange financing for the 3rd Section (Pothuhera-Galagedara 32Km) of Central Expressway Project
104	MNPEA/2017/107	Financial Assistance from the Asian Development Bank (ADB) for the Implementation of Rooftop Solar Power Generation Project
105	MNPEA/2017/108	Relief Mechanism to Expedite the Rehabilitation and Reconstruction work in Flood and Landslide damage areas
106	MNPEA/2017/109	Financial Allocation for the Administrative Expenses of the Colombo Cultural Hub Trust
107	MNPEA/2017/110	Project for the Supply, Installation and Commissioning of High Capacity Generators to Select Hospitals in Sri Lanka
108	MNPEA/2017/111	Recruitment of Teachers Engaged in Service on contract Basis into the Class – 3 Grade II of the Teacher's Service
109	MNPEA/2017/113	Submission of Annual Report of Statutory Bodies
		Annual Report of the Institute of Policy Studies of Sri Lanka – 2013

110	MNPEA/2017/114	Additional Financing Assistance from the Asian Development Bank (ADB) to finance the ongoing Jaffna Killinochchi Water Supply Project
111	MNPEA/2017/115	Recruitment of a Co-ordinator on Contract Basis for Colombo International Financial City Project (CIFC), Ministry of National Policies and Economic Affairs
112	MNPEA/2017/116	Grant of USD1m for the Higher Institute of Technology (Guarantee) Ltd (A Needs Blind Admission Policy, Not for Profit, Institute)
113	MNPEA/2017/117	Arbitration Award against former Secretary of the Ministry of Economic Development
114	MNPEA/2017/118	Foreign Currency Term Financing Facility (FIFF)
115	MNPEA/2017/120	Construction of Rural Bridges
116	MNPEA/2017/123	Extension of the Service of Mr. C. Maliyadde, Advisor to the Ministry of National Policies and Economic Affairs
117	MNPEA/2017/124	Supplementary Financing of Euro 13 million from the KfW (Kreditanstalt Fur Weideraufbau) of Germany for Completion of the Mahamodara Meternity Hospital, Galle
118	MNPEA/2017/125	Financial Assistance from the Asian Development Bank for the Implementation of the Integrated Road Investment Program – (I Road – Tranche 4)
119	MNPEA/2017/126	Introducing Legislation for the Demutualisation of the Colombo Stock Exchange
120	MNPEA/2017/127	Low Income Group (LIG) and Middle Income Group (MIG) Home Ownership Programme - Funding Arrangement
121	MNPEA/2017/130	Emergency Pre-Hospital Care Ambulance Service in Sri Lanka and Establishment of “1990 Suwaseriya Foundation”
122	MNPEA/2017/131	Signing and Implementation of the Memorandum of Understanding between the Democratic Socialist Republic of Sri Lanka and the Government of Nepal in the area of Cooperation on Youth Development
123	MNPEA/2017/132	International Cricket Stadium at Sooriyawewa Outstanding Payment to the Contractor
124	MNPEA/2017/134	Progress Report from 1st March 2017 to 30th September 2017 of the Central Programm Management Unit (CPMU)
125	MNPEA/2017/135	On Securities Exchange Act 2017
126	MNPEA/2017/136	Submission of Annual Report of Statutory Bodies 2013 Annual Report of the National Youth Services Council of Sri Lanka
127	MNPEA/2017/137	Submission of Annual Report of Statutory Bodies Annual Report of the National Youth Services Council of Sri Lanka - 2014
128	MNPEA/2017/139	Permission under section 7(1) of the Foreign Exchange Act, No. 12 of 2017
129	MNPEA/2017/140	Financial Assistance from the Asian Development Bank (ADB) for the additional financing of the Small and Medium-Sized Enterprises Line of Credit Project
130	MNPEA/2017/141	50,000 Permanent Housing Programme for Conflict Affected Families in the Northern and Eastern Provinces
131	MNPEA/2017/142	Extension of the service of 13 Technical Officers retired from the Three Armed Forces recruited for a period of one year effective from 11.10.2016 for preparation of project estimates and monitoring projects implemented under the Development Programmes launched by the Ministry of National Policies and Economic Affairs, for another period of one year effective from 12.10.2017

132	MNPEA/2017/143	Framework Arrangement between the Government of Republic of Korea and the Government of Democratic Socialist Republic of Sri Lanka Concerning Loans from the Economic Development Cooperation Fund of Exim Bank of Korea from 2017-2019
133	MNPEA/2017/144	Recruitment of Teachers engaged in the services on a contract basis, part time and voluntary basis in the Eastern Province into Class-III, Grade-II of the Teachers' Service
134	MNPEA/2017/145	Recruitment of Young Professionals as Interns
135	MNPEA/2017/146	Appointment of 03 Executive Coordinators to the Ministry of National Policies & Economic Affairs
136	MNPEA/2017/147	Submission of the report on "Recent Economic Developments: Highlights of 2017 and Prospects for 2018" of the Central Bank of Sri Lanka to the Parliament
137	MNPEA/2017/148	Loan Assistance from the Asian Development Bank for the Implementation of Mahaweli Water Security Investment Program – Tranche 2
138	MNPEA/2017/149	Establishing a low cost carrier in Sri Lanka
139	MNPEA/2017/150	Annual Transfers of Officers of all Island Services in the Departments of General Treasury, Department of National Planning, Department of External Resources and the Department of Project Management and Monitoring
140	MNPEA/2017/151	Reactivation and Reconstruction of Myliddy Fishery Harbour in the Northern Province under Reconciliation Initiative
141	MNPEA/2017/152	Programmatic Project Preparation Facility (PPPF) for World Bank Funded Project
142	MNPEA/2017/153	Agreement between the Government of Hungary and Sri Lanka on the Establishment of a Framework Programme for Financial Cooperation
143	MNPEA/2017/154	Signing of Financial Protocol with the France Government to Obtain Loan of Euro 13.9 mn for Development of 6 mini Dairies in Sri Lanka
144	MNPEA/2017/155	Implementation of the Budget Proposal – Interest Free Loan Scheme to Student to Follow Degree Programmes in Non-State Higher Education Institutes
145	MNPEA/2017/156	Acquisition of 100 Acres to Ministry of National Policies and Economic Affairs from Nilaveli Land Belongs to Sri Lanka Tourism Development Authority
146	MNPEA/2017/157	Establishment of 400MW Natural Gas Power Plant in Hambanthota on Government to Government Basis Jointly by the Government of China and the Government of Sri Lanka
147	MNPEA/2017/159	Reconciliation Focused High Priority Road Development Projects in the Northern and Eastern Provinces
148	MNPEA/2017/160	Expedite the Process of Disaster Recovery Payments for the Affected Households
149	MNPEA/2017/161	Financing the Funding Requirements of the Urban Development Authority, National Water Supply and Drainage Board and the Road Development Authority
150	MNPEA/2017/162	Financial City Project Transferring of Balance Funds to CFC Founding (Guarantee) Limited
151	MNPEA/2017/163	Emergency Pre-Hospital Care Ambulance Service in Sri Lanka and the Establishment of "1990 Suwaseriya Foundation"
152	MNPEA/2017/165	Signing of Loan Agreements for Kandy North – Pathadumbara Integrated Water Supply Project and Thalpitigala Reservoir Project
153	MNPEA/2017/166	Obtaining Financial Assistance for the Implementation of Hemmathagama Water Supply Project

154	MNPEA/2017/167	On Improving Debt to GDP Ratio and Offers from Investment Houses to facilitate Liability Management
155	MNPEA/2017/173	Procurement of reinsurance program to cover agricultural insurance schemes funded by National Insurance Trust Fund for the period from 01.01.2018 to 31.12.2018 (both days inclusive)
156	MNPEA/2017/174	Russian Financing for Procurement of Military Equipment for Sri Lanka Army (Mali Operations)
157	MNPEA/2017/175	Financial Assistance for Implementation of the Kirama – Katuwana Integrated Water Supply Project
158	MNPEA/2017/176	Obtaining Financial Assistance of the French Agency for Development (AFD) for Implementation of Rathmalana / Moratuwa West Water Disposal Project – Stage I – Phase II
159	MNPEA/2017/178	Metro Colombo Solid Management Project Asian Infrastructure Investment Bank Signing of Grant Agreement for Project Preparation Special Fund

Table No: 2.6_Submission of Cabinet Memoranda

2.5.2 Coordinating & facilitating the Meetings on Policy Matters;

- Meetings on Committee on National Information (CNI) for Evidence based Decision Making were coordinated & facilitated.
- Made arrangements to submit inputs of the Ministry to the Parliamentary Committees such as; Sectoral Oversight Committee on Economic Development, Select Committee on Sustainable Development, in coordination with the Departments & Institutions under the purview of the Ministry.
- Follow up action was taken to implement all the decisions taken at the Cabinet Committee on Economic Management (CCEM) and Officials Committee on Economic Management (OCEM) in respect of the Ministry.

2.5.3 Planning Matters;

- Timely preparation of Performance Reports, Progress Reports and Annual Action Plan of the Ministry and submission to the relevant authorities
- Periodical Progress Review meetings with the Institutions under the Ministry have been conducted.

2.6 Performance of Youth Affairs Division

2.6.1 Indo-Sri Lanka Youth Exchange Programme

In terms of the Memorandum of Understanding entered into between the then State Ministry of Youth Affairs in Sri Lanka and Ministry of Youth Affairs and Sports in India on 13.03.2015, group of 27 member Indian youth delegation headed by Mr. Gowraw Agrawal, Director (International Cooperation) of Ministry of Youth Affairs and Sports in India visited Sri Lanka from 14 to 22 January 2017.



2.6.2 Series of Youth Training programmes on control of non – communicable diseases under the theme of “Suwathi Yowwanaya”

36 programmes on Prevention of Non-Communicable Diseases (NCD) had been conducted in 2017 with the assistance of Non-Communicable Disease Unit of the Ministry of Health, Nutrition and Indigenous Medicine and National Youth Services Council encompassing all the districts in the country. The said programmes were conducted in Sinhala and Tamil Medium and no. of beneficiaries stood at 2,279.

Awareness Programme on Non-Communicable Disease Prevention targeting the Officials of Ministry of National Policies and Youth Affairs and other Institutions coming under its purview was held on 06 and 07 November 2017 at the Sri Lanka Foundation Institute. The resource personnel were provided by the Non-Communicable Disease Unit and Alcohol and Drug Information Centre (ADIC) Sri Lanka. Nearly 30 officers participated in the event.

2.6.3 Identification of Health Problems of the Youth Community

This Ministry with the Family Health Bureau (FHB) of the Ministry of Health, Nutrition and Indigenous Medicine had conducted 07 programmes in Kegalle, Galle, Kandy, Vauniya, Trincomalee and Ratnapura districts under the series of programme for training the trainers to identify the health problems of youth community. All the expenses incurred towards the programme conducted in cooperation with the Family Health Bureau (FHB) were borne by the Ministry of Health, Nutrition and Indigenous Medicine.

259 Youth Services Officers/ instructors representing National Youth Services Council, Youth Corps and National Centre for Leadership Development had participated as trainers in the said programme. It was carried out as a two-day workshop.

2.6.4 Yowun Puraya – 2017 National Programme (30.03.2017 to 02.04.2017)

The Yowun Pura – 2017 National Programme was held in Mackheisher Stadium in Trincomalee with the participation of more than 6000 local and international youths. The Youth Affairs Division was engaged in coordination activities related to the Yowun Puraya Programme between relevant Ministries and other governmental organizations (During the said period, several development programmes had been conducted by the other relevant Ministries and governmental organizations through the mediation of Youth Affairs Division in parallel to Yowun Puraya activities.)

Further, Youth Affairs Division had acquired necessary information by means of a questionnaire to identify the vocational and social needs of the youth who had participated to Yowun Puraya in order to analyze and to organize programmes catering to those needs.



2.6.5 Conducting Entrepreneurial Trade Exhibition (31.03.2017 – 04.04.2017)

Entrepreneurial Trade Exhibition 2017 conducted by the Small Enterprises Division functioning under the Youth Affairs Division was held successfully for the 6th consecutive year from 31st March 2017 to 04th April 2017.



2.6.6 Publication of De CREATOR Magazine

02 Volumes of De CREATOR magazine targeting the youth community were published by the Youth Affairs Division as follows with the objectives of enhancing their global knowledge and development of attitudes towards formation of efficient youth.

Volume	No. of Magazines
03 rd Volume	14,000
04 th Volume	7,500
Total No. of Magazines	21,500

Table No. 2.7: Publication of De CREATOR Magazine



2.6.7 Signing of Memorandum of Understanding with the Ministry of Education and Implementation of Programmes of the National Youth Awards Division

The Secretary of this Ministry and the Secretary to the Ministry of Education had entered into a Memorandum of Understanding on 12.06.2017 at the Miloda building with respect to the implementation of Duke of Edinburgh’s International Awards Programme in Schools and National Colleges of Education by the National Youth Awards Division of National Youth Services Council. Further, the National Youth Awards Division had formulated and implemented youth development programmes to promote its youth awards divisions in countrywide and youth awards programme under the funds allocated by the Youth Affairs Division.



2.6.8 Sport Training Instructors’ Programme -2017 to endow physically and mentally balanced healthy youth generation to the country

This programme is conducted with the objective of endowing physically and mentally balanced youth generation to the country, had received the assistance of the Ministry of Sports and the National Institute of Sports Science. Accordingly, the instructors representing Youth Corps, National Youth Services Council and National Centre for Leadership Development participated in the said programme.

Programme	Date	Place	No. of Beneficiaries
I	02.08.2017 to 04.08.2017	National Centre for Leadership Development at Embilipitiya	35 (Sinhalese Medium)
II	05.12.2017 to 08.12.2017	National Youth Services Council, Maharagama	31 (Tamil Medium)

Table No. 2.8: Sport Training Instructors' Programme -2017



2.6.9 Clean & Green Sri Lanka Programme

Clean & Green Sri Lanka” programme was held district wise in collaboration with the Department of Coast Guard and with the assistance of youth who preferred to engage in volunteering services and Rangers of Sri Lanka Youth Corps. The youths who preferred to engage in volunteering services were selected from the youths who had participated at the Yowun Puraya 2017 based on a questionnaire provided to them. Thus, the programme to clean the coastal area covering 43 Km of the coastal zone in Ampara, Hambanthota, Matara, Galle, Kalutara, Colombo, Gampaha and Puttalam districts was successfully completed with the participation of 240 members of youth clubs and 380 youth rangers.



2.6.10 Conducting of One Day Awareness Workshops for members of Youth Clubs on Government Development Process

Two workshops on 20 and 22 December 2017 were held to make the members of youth clubs functioning under the National Youth Services Council to aware on Budget Proposals 2018 and “Vision 2025 – A Country Enriched”- the Economic Policy of Sri Lanka. Arrangements were made to get the participation of 500 youths representing 100 each from North-Western, Southern, Northern, Eastern and Central Provinces.

The programme was held at the National Youth Services Premises to make them aware on the said concepts and the Department of National Planning provided the necessary resource personnel. Subsequent to this programme, the participant youths were provided with the opportunity to make a study tour to Colombo Stock Exchange, Colombo Harbour and ongoing Port City Project construction site.



2.7 Economic Affairs Related Activities

2.7.1 Implementation of Budget Proposal -2017

Necessary steps have been taken to implement the Budget Proposal -2017 assigned to Economic Affairs Division, and the periodical progress reports of the implementation of the Budget Proposal 2017 of the respective institutions have been collected and submitted to the Department of National Budget, Department of Public Enterprise, Ministry of Finance, Planning Division, and the Department of Project Management and Monitoring. (Please see Annex III for further details).

2.7.2 Small & Medium Enterprises (SME)

The Ministry of National Policies and Economic Affairs and the Central Bank of Sri Lanka have jointly designed and introduced new loan Scheme for Micro, Small & Medium Enterprises (MSME) Sector Development and the Employment Generation according to the Government Policy to create one million jobs through establishing over 25,000 MSME units throughout the country. To improve efficiency and competitiveness of rural economy through provision of new and appropriate technologies, utilize existing skills and the talent of youths and resources in the villages and develop new market platforms and linkages.

Appointed a Steering Committee to the Loan Schemes for Small and Medium Enterprises Sector Development and Employment Generation. Operational instructions of “New MSME” – Loan Scheme for MSME Sector Development and the Employment Generation has been prepared by the CBSL, to monitor the overall progress of the project by the Steering Committee.

Under this program the following Swashakthi Credit Facility Scheme and “Athwela” Loan Scheme for Resumption of Economic Activities Affected by Disasters (READ) are being implemented by this Ministry.

2.7.3 Swashakthi Credit Facility Scheme

Swashakthi Credit Facility Scheme for granting credit facilities to encourage the youth to initiate Small and Medium enterprises at rural level was launched under the patronage of Hon. Prime Minister Ranil Wickremasinghe. The programme which is a significant pace of the Government’s national programme for creating One Million Employment Opportunities, was launched under the theme “Twenty Five Thousand Ideas and Twenty Five Thousand Businesses”. Under the scheme a credit facility up to a sum of Rs. 200,000/- will be extended at a concessionary interest rate of 5.5% while a non-recovering financial grant of Rs. 50, 000/- will also be given along with the loan to meet the preliminary expenses of the business. Meanwhile, a sum of Rs. 250, 000/- will be extended for developing the existing businesses at the same concessional interest rates too.

This credit facility will be offered to the youth, graduates, and the youth with special skills and with special needs who possess new ideas to initiate business ventures using distinctive resources available in the rural vicinity, engage in information technology sector or producing environmental friendly products. Aforementioned credit seekers will also get the opportunity to receive an extra credit facility at the ordinary interest rates depending on the success of the business.

Province	No of Beneficiaries
Southern	3,132
Western	2,802
Sabaragamuwa	1,782
Central	1,823
Northern	1,904
North Western	1,415
Eastern	1,234
North Central	1,090
Uwa	1,060
Total	16,242

Table No. 2.9: Progress of the granting credit facilities under Swashakthi Credit Facility Scheme as at 31.12.2017

Total allocated fund for this programme is a sum of Rs 4000 Mn out of this amount a sum of Rs 2,146.78 released for the Refinance of “Swashakthi – Towards One Million Jobs” programme and 16,242 no of Loans registered with the value of Rs 3,833.98 Mn by the Central Bank of Sri Lanka. Also Rs 47.27 Mn was released for the cost of the Media Campaign of this programme.

2.7.4 “Athwela” Loan Scheme for Resumption of Economic Activities Affected by Disasters (READ)

“Athwela” loan scheme for Resumption of Economic Activities affected by Disaster (READ), considering the devastating effects and identifying the need of minimizing the economic and social impact of disasters occurred in Sri Lanka. The main objective of the Loan Scheme is to provide credit facilities at concessionary terms and conditions to resume economic activities affected by disasters. The main purpose of this scheme is to provide financial facilities to eligible sub – borrowers to resume any economic activity affected by any disaster as informed by the Government for this purpose the CBSL will establish a fund in the Regional Development Department of the CBSL with the initial fund provided by the Government. This will operate as a refinance loan scheme.

The total fund allocation by the Government is Rs 2000 Mn with recoveries of loans will be revolved up to 20 years. The estimated restarting cost of resumption or restoration of the economic activity falling under the categories of Agriculture; Plantation; Livestock and Fisheries; Services including trade, business, profession of vocation; and any other economic activity considered with special focus on Self- Employed and Small Scale businessmen, under this program loan can be obtained up to Rs 500,000.00.

Progress of “Athwela” loan scheme for Resumption of Economic Activities affected by Disaster as at 31.12.2017

District	Total	
	No of Beneficiaries	Amount (Rs Mn)
Matara	2205	953.86
Galle	953	334.72
Hambantota	140	65.28
Kegalle	2	1
Ratnapura	356	157.96
Kandy	1	0.5
Gampaha	1	0.5
Kalutara	648	292.25
Colombo	40	16.5
Total	4346	1822.57

Table No. 2.10: Progress of “Athwela” loan scheme

2.7.5 Bankruptcy Law

According to the direction of the Cabinet of Ministers, and the Cabinet Committee on Economic Management on “Corporate Legal Reforms in Corporate Bankruptcy Law”, the related documents have been submitted to the Hon. Attorney General, Department of Attorney General’s to obtained opinion for legal reforms in corporate Bankruptcy Law, actions are in progress.

2.7.6 Micro Finance Act

Implementation / Formulation of Micro Finance Act no 6 of 2016 to provide for the licensing, regulation and supervision of companies carrying on micro - finance business; the registration of NGOs accepting limited savings deposits as micro - finance NGOs; for the setting up of standards for the Regulation and Supervision of Micro - finance NGOs and micro credit NGOs and to provide for matters connected therewith or incidental thereto. The follow up action and Monitoring the progress of implementation with National Operation Room of the Temple Trees, CBSL, and NGO Secretariat and relevant organization are being carried out.

2.7.7 Foreign Exchange Act

Foreign Exchange Bill enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka As Foreign Exchange Act No.12 of 2017, Minister of National Policies and Economic Affairs do by this Order; appoint 1st November, 2017 as the date on which the provisions of the aforesaid Act shall come into operation. “An Act to provide for the promotion and regulation of Foreign Exchange; to vest the responsibility for promoting and regulating Foreign Exchange in the Central Bank as the Agent of the Government; to provide for the repeal of the Exchange control Act (Chapter 423); and to provide for matters connected therewith or incidental thereto” which has currently been implemented by the Central Bank of Sri Lanka.

2.7.8 Secured Transactions Bill

Formulation of Secured Transactions Act No ...of 2017: “An Act to provide for an Institutional Framework for the Regulation of secured Transactions in Moveable Property by the Establishment of the Secured Transactions Registration Authority; to set out the powers and duties of such Authority; to provide for the determining of priorities amongst creditors having competing security rights in the movable property of their debtors; to set out the rights and duties of parties to security Agreements; to provide for the Establishment and Maintenance of a registry of security rights in movable property and for matters connected therewith or incidental thereto”, Final draft of the above bill ready and submitted for Attorney General for his clearance and it is in progress for submit to the Parliament.

In line with the Secured Transactions Bill amendment to the following acts agreed by the relevant Implementation Authorities.

Acts/ Ordinance	Implementing Ministry
Registration of Document Ordinance	Ministry of Home Affairs
Mortgage Ordinance	Ministry of Enterprises Development
Trust Receipt Ordinance	Ministry of Justice
Prescription Ordinance	Ministry of Justice
Finance Leasing Act No 56 of 2000	Ministry of Finance
Inland Trust Receipt Act No 14 of 1990	Ministry of Finance
Companies Act No 7 of 2007	Ministry of Industries and Commerce

Table No. 2.11: Acts to be amended

2.7.9 Capital Market Development

Sri Lanka Capital Market is not a develop compare to the emerging economy in Asia. The corporate debt market is concentrated in the banking, finance and insurance sectors and lacks representation of the infrastructure sector. Bonds market does not satisfactorily cater to long term capital market requirements. Therefore, the government decided to reform the policies in order to develop the capital market.

Specific objective of this program is to develop efficient stable and transparent capital markets: a two tranche policy matrix with 30 policy reforms have been considered under this program with following three components market facilitation, demand measures, supply measures. Under this policy action Capital Market Strategy has already been approved by the Cabinet, Securities Exchange Bill and Demutualization bill are ready to be submitted to the Parliament under the 1st Tranche Policy Action.

2.7.10 Securities Exchange Act

Securities and Exchange Commission Act No 36 of 1987 is not equipped with appropriate legislative provisions to meet the challenges of capital markets in the 21st century. In June 2015, the SEC appointed a high level Advisory Committee chaired by Mr. K. Kanag-Isvaran P.C. to consider a new draft Bill relating to capital markets. The draft bill is designed to take into account the principles and standards set out by the global standard setter for securities regulators. The Members of the Committee re-structured the draft bill and modified the bill in line with international best practices by including provisions to deal with new developments in the market.

Securities Exchange Bill 2017 can constitute, inter alia, an important pillar in making the capital market more attractive as an alternative way to raise capital in the Sri Lankan economy. More foreign investors would also view the market favorably as a well regulated and orderly market.

Securities Exchange Bill 2017 is drafted by the Legal Draftsmen, and ordered to be published by the Minister of National Policies and Economic Affairs. Securities Exchange Bill 2017 published in the Gazette on November 22, 2017 ordered by the Parliament to be printed and presented by Prime Minister and Minister of National Policies and Economic Affairs on 06th December, 2017.

“An Act to regulate market institutions public offers of securities, market intermediaries; to deal with market misconduct; and to meet the challenges encountered by securities markets in an effective and efficient manner and to repeal the securities and exchange commission of Sri Lanka Act No 36 of 1987 and for matters connected herewith or incidental thereto”. Be it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as this act may be cited as the Securities Exchange Act No of 2017.

2.7.11 Demutualization bill

The Colombo Stock Exchange (CSE) was incorporated as a company limited by guarantee in 1985 with the participation of seven Members for the purpose of operating a stock exchange and to undertake activities associated with operating a stock exchange. The SEC was established in 1987 with the objective of regulating the capital market and its participants, protecting investors and contributing to market development in the public interest. This bill facilitates the Demutualization of the Exchange by converting the CSE to a company limited by shares operating on a “for profit” basis and restructuring its operations, governance structure and management for the benefit of all stakeholders taking into account public interest. To creating a fair and efficient environment that benefits its participants, it is proposed to conclude the Demutualization Process of the CSE. Draft of Demutualization Bill submitted to the cabinet on 11.09.2017 to obtain approval of the Cabinet members to submit the Sectoral Oversight Committee on Economic Management. The final draft of the bill has already been submitted to Attorney Generals for his clearance.

2.7.12 White Paper

White Paper on Retirement Savings: under the 2nd Tranche Policy Action of the Capital Market Development, to be submitted to the Cabinet by this Ministry. In this regard, Taskforces appointed and Inception Report circulated among the relevant organizations.

2.7.13 Action Plan for Gender Based Violence

Action has been taken to develop as sector wise Gender based violence specially considering on Economic Affairs. Economic development Plan of the National Framework and National Action Plan to Address Gender based violence has been prepared. Action is now been progress.

2.7.14 Memorandum of Understandings- MOU

Progress of MOUs signed with other Head states of the Countries with Government of Sri Lanka relevant to this Ministries have been reviewed and reported progress to the President Secretariat.

2.7.15 Annual Reports and Performance Reports

No of Performance Reports submitted to the Parliament

- SEC- Year 2016
- ETF -Year 2015
- CBSL- Year 2016 and “Recent Economic Development : Highlight of 2017 and Prospects for 2018”
- PUCSL- Year 2015
- NHRDC- Year2015

2.7.16 Other Activities

- **Cabinet Committee on Economic Management (CCEM):** Follow up action on the decision of the CCEM related to the Economic Affairs Division has been carried out.
- **Participation of the Meetings:** Board meetings, progress review meetings, Audit and Management meetings, procurement meetings, National Steering Committee Meetings (STM), COPA, and COPE meetings were attended by the officers of the Economic Affairs Division.
- **Periodical Progress Review:** Periodically progress review meetings arranged with said institutions and obtained Periodical Progress Reports and take necessary steps and contribute to prepare performance report to submit to the Parliament.

2.8 Performance of Special Development Projects

The operation and coordination of the following programs and projects are conducted by the Development and projects Division.

1. World Food Programme (WFP)
2. USAID Program
3. Agriculture Sector Modernization project
4. Tell the president Program

2.8.1 World Food Programm (WFP)

The World Food Program (WFP) has been made partnership with Sri Lanka since 1968 year which will be celebrated 50 years anniversary in year 2018. WFP has given cooperation in both ways by emergency assistance in response to natural and human-made disasters (i.e. tsunami, droughts, floods and civil war), and by developmental programs focused to end hunger by intervening through school meal programs and other nutrition interventions.

Major Components under WFP Country Program 2016-2017

A. School Meal program (SMP)

Main objective of the school meal program is to increase the nutritional status of the school children who are in food insecure areas. Under this program, it is provided daily nutritious meals to 160,000 school children from grade 1 to 9 of selected schools in the Northern Province. By the end of year 2017, total number of 158,105 of schools children was benefited and fed them 197 school days under this program and total 2990.5 Metric Tons of food has been distributed (Rice – Mt 1970.7; Pulses 476.49 Mt.; Vegetable Oil 238.44 Mt.; canned fish 304.86)



B. Resilience Building to Reduce Risks and Vulnerability to Shocks through Food for Work (FFW)

This focuses on disaster – prone and food insecure areas in Northern, Uva, Eastern and Central Provinces and will support a variety of locally driven interventions including environmental conservation, land rehabilitation, water harvesting, and skill development. The least resilient households including female headed households will benefit under this project. Cash transfer under this will be used for resilience building through asset creation activities to uplift their livelihood activities and scale up disaster preparedness activities.

- In 2017, this program has being implemented in 13 Districts (All five Districts in the Northern Province, Anuradhapura, Polonnaruwa, Badulla, Monaragala, Nuwara Eliya, Matale, Trincomalee and Batticaloa). Total allocation for year 2017 is Rs 282 Million which granted by WFP, covered approximately 8,750 beneficiaries.
- Program aims to implement 438 of water harvesting systems in house hold level, at least 130 community water harvesting systems, to enhance skill training for 812 of youth and women, to rehabilitate or to upgrade at least 13 VTC centers and to provide seed money to start up business for 750 trained youth and women.
- This project scheduled for period of six months from June 2017 to November 2017. Within first 3 months, Rs. 126 million has been distributed among the beneficiaries.



End of year 2017, program has established 474 of water harvesting systems at House Hold level. 119 number of community bunds have been rehabilitated with the participation of 2,642 beneficiaries. 71 training programs for 960 of youth and women have been completed 738 youth among the trainees were provided money for start up their own business. Rehabilitation / Up grading of 24 VTCs were completed.

C. Emergency Operation (EMOP)

WFP is supporting for the people who affected emergency situation as follows.

- Assist for foods by providing cash for the people who affected emergency situations (flood, landslides, drought)
- In 2016, this project addressed the flood and landslide occurred in Colombo, Gampaha, Kegalle and Rathnapura Districts. Rs. 152.32Million was distributed among 22,949 victims.
- By end of year 2017, WFP has donated Rs. 337.4 million for 8,435 victims affected by the drought in Kurunegala, Monaragala, Vavuniya and Mannar Districts. Under the extension of the flood relief program 6,718 victims were benefited in Matara, Ratnapura, Kalutara and Galle Districts and donated amount is Rs. 134.36 million.

2.8.2 The USAID funded Projects

USAID funded projects are implemented according to the Assistance Agreement signed between the Government of Sri Lanka (GOSL) and United State of America (USA). Accordingly, GOSL is obliged to exempt the tax and VAT on the imported goods for the USAID programme. Four projects are implemented under USAID assistance in this year as follows;

A. Supporting for Professional and Institutional Capacity Enhancement Programme (SPICE) 2012 – 2017

The main objectives are to strengthen the capacity of indigenous organizations to promote democracy and governance through institutional development support, grants to local organizations, and creation of linkages between organizations and communities in island wide.

USAID has invested US \$ 15,182,000; around Rs. 2,277 million for this project and following activities has been implemented from 2012 to June 2017.

- USAID's flagship civil society strengthening activities
- Provided financial and technical assistance to 66 national and regionally based local organizations.
- Interventions focused on the development of programming and delivery of services for marginalized population and civil society organizations, including female and youth empowerments, active citizenship and inclusive participation, inter- religious and inter – ethnic harmony and advancing gender equality.

The progress reported as 42,816 individuals received legal aid or victim's assistance programme. 3,688 people were reached through gender-based violence services. 1,118 war affected women have received livelihood assistance. 36,815 people have received copies of essential identity documents, such as birth certificates, marriage certificates, and national identity cards, 64,251 people were made aware on human rights, 1,190 beneficiaries have given Technical and Input Assistance, 1,389 community members received training.

248 activities carried out in support of Peace and reconciliation, 188 organizations engaged in participatory governance activities up to end of 2016. After winding up of the project, the evaluation was done by an independence evaluation committee comprising local and international expertise.

248 activities carried out in support of Peace and reconciliation, 188 organizations engaged in participatory governance activities up to end of 2016. After winding up of the project, the evaluation was done by an independence evaluation committee comprising local and international expertise.

B. The Supporting Opportunities in Livelihoods Development Projects (SOLID) 2013 – 2016

Farmers are supported through increasing livelihood opportunities for vulnerable communities such as female-headed household, war widows, and resettled families through market linkages, technical assistance and training, with limited assistance for production inputs.

The USAID investment for this project is Rs. 9.2 million and it was implemented in Northern, Southern and Eastern Provinces. Cumulative target of beneficiaries are 4,000 numbers of rural households. The project has assisted to 1,300 of families beyond the 2017 target which was thousand rural families.

The industries such as dairy and poultry have been developed under this project. 1,377 no of persons are benefited/ trained through capacity development programmes. Target in 2017 is to train only 1,000 of persons under capacity development.

The project has planned to join 100 farmers for adapting new technology; but, 339 farmers were joined for this programme by exceeding its targeted amount.

C. New Economic Growth Programme: VEGA BIZ+ (2011- 2017)

Supports public – private alliances with local partners and provides technical assistance, training, and grant to improve inclusive management practices and production process in targeted industries including: horticultural, dairy, aquaculture, logistics services, garment and construction industries.

Total USAID investment is US \$ 22.4 million and focus area is the Northern, Eastern, North Central, and Uva Provinces. The Programme has two components which are the provision of grants and technical assistance.

Progress of this project as at 31 December 2017 as follows;

- Achieved 385 new employments and Income earning opportunities. Accordingly, comparing the target of the project which is 6,500 in end of 2017, the project has achieved cumulative progress is 6,647 under the creation of new employments and SME development.
- Increased in gross household income by US \$ 6,500,000 those households benefitting from USG Assistance and target is increasing in gross household income by US\$ 9,021,589
- Distributed 456 numbers of vulnerable households benefitting directly from US Assistance and cumulative progress is 8,810 by exceeding its overall target of 8,000 vulnerable household.
- Achieved the targeted 04 business firms/ organizations by giving benefits to 04 numbers of grantee business firms and organizations this year compared to the life of project target of 60 business firms or organizations.
- Supported to release the imported machineries and goods by this Ministry paying tax and VAT amounting of Rs 4.97 Mn under the obligations of Government of Sri Lanka

D. Strengthening Democratic Governance and Accountability Project (SDGAP)

Under the provisions laid on the Assistance Agreement no 383-0126, Strengthening Democratic Governance and Accountability Project (SDGAP) is implementing through several key institutions and line Ministries. Objective of the project is to support the Government of Sri Lanka in its efforts to increase public accountability systems for more effective and accountable democratic governance. The SDGAP is a three year project from 01 October 2016 to 30 September 2019 with a total amount of US \$ 13 Million.

As planned in 2017, a legal documentation was prepared related to accountable governance under the component of strengthening Public Accountability System. The project targeted four activities for increasing participation of women and under-represented groups in democratic governance and seven activities were carried out.

1,746 numbers of persons trained under the programme of advance outcomes consistent with gender equality and female empowerment through their roles in public or private sector and its target of 2017 is 2,000 persons trained.

2.8.3 Agriculture Sector Modernization project

The development objectives of Agriculture Sector Modernization Project are to support increasing agriculture productivity, improving market access, and enhancing value addition of smallholder farmers and agribusinesses. The project is basically implemented by Ministry of Agriculture, Ministry of Primary Industries and selected Provincial Councils. A number of government and private organizations are involved in the project and Ministry of National Policies And Economic Affairs has the chairmanship of Central Project Coordination Committee (CPCC) established for resolve the issues while implementation of the project and make necessary policy decisions. 8 CPCC meetings have been held in 2017.

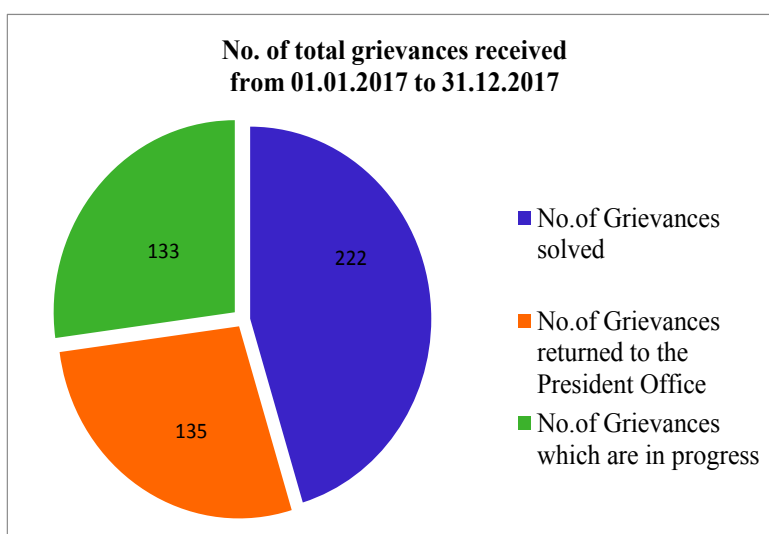
2.8.4 Tell the President Program

Improved new data base has been introduced by the Presidential Secretariat for Tell the president Program on the beginning of the year 2017. The various kinds of requests and grievances submitted by the public to this ministry from Presidential Secretariat through database are coordinated by the division with institutions coming under purview of the Ministry of National Policies And Economic Affairs. Requests and grievances are directed to the institutions according to the relevancy.

Total requests received by the Ministry from 01.01.2017 to 31.12.2017	490
Solved	222
Requests returned to president Secretariat due to irrelevancy	135
To be solved	133

Table No. 2.12: The progress of Tell the president Program from 01.01.2017 to 31.12.2017

Above information are presented by the following graph.



Chapter 03

Performance of Institutions on Youth Affairs

3.1 Small Enterprises Development Division

3.1.1 Main Activities

- Identification of beneficiaries and aware them about the small enterprises in all over the country.
- Identification and selection of potential entrepreneurs and conduct programs to develop their attitudes.
- Identification of training requirements of beneficiaries and design suitable training programs for them.
- Organization, operation and conduct of training courses.
- Continuous follow up work regard to entrepreneurs.
- Entrepreneur counseling and co-ordination of assisting services.
- Coordination to provide financial facilities to entrepreneurs.
- Organize and conduct the programs relevant to develop productions and promote marketing and to expand the markets for entrepreneurs.

3.1.2 Progress of General Programmes

The following table shows the progress of general programmes implemented by the Small Enterprises Development (SED) Division during 2017.

	Key Activities	Year Targets	Achievement up to December		
			No Of Programs	Participants	Expenditure
1	Awareness and Attitude Development				
	General Awareness	123	150	8754	26,060.00
	Special Awareness	16	20	1200	183,732.75
	Mobile Awareness	5	2	198	20,120.00
	EDP Selection	58	73	1655	828,499.00
	Officers Awareness	4	8	486	75,242.00
	Special Attitude Development Programme	4	4	115	29,840.75
		210	257	12408	1,163,494.50
2	Business Idea Generation and Selection				
	Business Idea Generation and Selection Programme	8	7	198	48,766.25
	Feasibility Study Programme	6	6	106	38,122.00
		14	13	304	86,888.25
3	Entrepreneurship Development				
	New Trends of Entrepreneurship	2	1	72	10,250.00
	Way to Business Programme	82	86	2569	2,177,640.66
	EDP	9	9	256	5,620,989.74
	Business Plan (EDP)	1	2	44	160,006.00
	Field Visit – (Sharing Experience)	8	9	354	146,525.00
	Entrepreneurship Development (Motivation)	1	1	297	44,500.00
		103	108	3592	8,159,911.40
4	Business Plan Development				
	Business Plan Development Programme (03 Days)	5	3	125	72,067.50
	Business Plan Development Programme (05 Days)	2	2	50	72,785.00
		7	5	175	144,852.50
5	Technical Development				
	Individual Training	88	-	68	422,627.00
	Technical Training Programme	35	36	1114	807,577.00
		123	36	1182	1,230,204.00
6	Management Development				
	Management Training Programme	22	21	490	504,133.50
	Manage your Business	9	10	288	222,099.00
	Modern managemnt Technique Training	1			
		32	31	778	726,232.50
7	Marketing Development				
	Marketing Development Training Programme	13	13	683	899,640.74
	Sample selection vyvasaya	5	13	220	132,026.00
	Customer Care	5	5	176	64,207.00
	Sharing Business Experience	6	5	174	73,700.00
	Buyers & sellers meeting programme	2	3	110	281,889.00
	Developing Marketing Linkages	5	3	249	557,468.60
	Developing Marketing Skills	2	1	41	5,308.00
	Trade Fair And Exhibition	21	22	1113	8,426,906.12
	Monthly fair		15	237	-
		59	65	2766	10,441,145.46

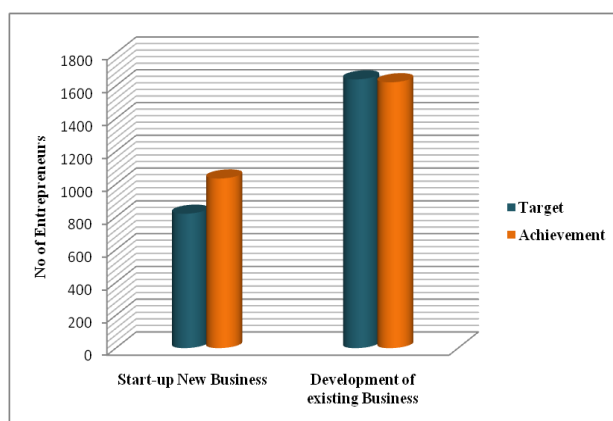
	Key Activities	Year Targets	Achievement up to December		
			No Of Programs	Participants	Expenditure
8	Business Laws and Regulations				
	Business Clinic	3	4	448	149,177.00
	Awareness of Business Laws and Regulations	4	4	124	38,544.00
		7	8	572	187,721.00
9	Quality Development				
	Productivity Development Programme	2	1	32	50,085.00
	Packaging Programme	7	7	242	85,016.00
	Co-ordination for GMP Certificates		1	75	11,495.00
	Co-ordination for NVQ Certificates		1	23	-
	Standardization Programme	2	3	119	47,265.00
		11	13	491	193,861.00
10	Costing and Accounting				
	Costing Programme	11	13	332	173,403.50
	General Accountancy Programme	9	9	211	213,415.50
		20	22	543	386,819.00
11	Information Technology				
	IT Programme	10	9	211	377,556.60
	Use Internet & Design web site for business		1	19	26,027.00
	Creating fan page		1	24	17,355.00
		10	11	254	420,938.60
12	Human Resource Development				
	Human Resource Development Programme		1	26	3,960.00
	Training Of Employees	2	1	22	7,765.00
		2	2	48	11,725.00
13	Evaluation Programme				
	Business Society Development	36	30	2108	306,978.50
	Evaluating of Society Activities	4	2	204	66,880.00
	Selecting of Best Entrepreneur		1	120	77,875.00
	Entrepreneurship Development District Committee		5	384	73,217.50
	Society Meeting		23	1386	
		40	38	2816	524,951.00
14	Follow-up & Project Visit				
	Follow-up	146	119	2259	411,265.65
	Project Visit	105	90	1573	849,261.84
	Restaurant Research programme		2	44	63,313.00
	District Survey meeting		0	0	14,700.00
	Special Project Sweets		3	29	15,660.00
	Special dry fish project		2	76	31,960.00
	Youth camp programme		2	100	76,766.00
	Nila mehewara closing programme		1	0	34,510.00
	Entrepreneurship promotion programme (Video)			9	626,355.00
	Visit BMICH + Progress Review		9	295	374,088.67
	Stationary				28,752.43
	Office opening				31,135.00
	Administration				255,000.00
	Total	889	837	30314	26,491,511.80

Table No. 3.1: General Programme Progress of SED

Key Performance Indicators as at 31st December 2017

Out comes	Cumulative Achievement up to 31 st December 2017
Business Plan Development	103
Business Consultancy Services	1158
Coordination for Business Financing	157
No of loan Facilities Providing (Bank)	187
No of loan Facilities Providing (SBA)	26
No of loan Facilities Providing (Sansada)	24
Amount of Loan (Bank)	90,921,200
Amount of Loan (SBA)	320,000
Amount of Loan (Sansada)	551,000

Table No. 3.2: Key Performance Indicators



SED Saloon Progress up to 31.12.2017

	Key Activities	Year Targets	Achievement up to December		
			No Of Programs	Participants	Expenditure
1	Awareness Programme				
	One day Awareness	9	10	519	15,259.00
		9	10	519	15,259.00
2	Entrepreneurship Development Programme				
	Attitude Development & Personal Grooming Programme	23	17	606	197,902.00
	Salon Management Programme	17	11	424	132,469.00
	Sharing Business experience		1	34	25,965.00
	Leadership Programme	8	3	99	33,642.50
	Salon Society Meeting	24	13	734	89,012.00
		72	45	1897	478,990.50
3	Technology Programme				
	Awareness Programme of New Technology	16	11	504	152,705.00
	Technology Programme	39	36	2220	761,640.50
	NVQ Programme	19	23	1059	240,074.00
	Standerdization Programme	26	25	1607	448,898.00
		100	95	5390	1,603,317.50
4	Marketing Programme				
	Customer Care Programme	16	14	997	425,488.00
	Creating for Fan Page Programme	36	28	494	403,827.00
	Bridal Show	3			
	Awarding Ceremony	18			
		73	42	1491	829,315.00
5	Costing and Accounting Programme				
	Accountancy Programme	13	6	163	63,492.40
		13	6	163	63,492.40
6	Follow-up & Project Visit				
	Project Visit	48	83	2095	1,565,726.07
	Project Visit(ii)	23			
	Project Visit(iii)	7	33	902	617,236.00
	Pre visit		25	836	687,803.00
	Printing				11,840.00
		78	141	3833	2,870,765.07
	Total	345	339	13293	5,872,979.47

Table No. 3.3: SED Saloon Progress

Progress of Swashakthi Loan Scheme programme up to 31.12.2017

No	Key Activities	Year Targets	Achievement up to December		
			No Of Programs	Participants	Expenditure
1	Awareness and Attitude Development				
	General Awareness (1 day)	50	84	9086	233,623.00
	Special Awareness		3	209	71,240.00
	Officers Awareness	2	12	797	243,939.00
	Ceremony		1	0	4,089.90
	District Entrepreneurship Development Committee	13	24	1486	760,837.00
	Regional Entrepreneurship Development Committee	44	60	2817	175,660.45
		109	184	14395	1,489,389.35
2	Business Idea Generation and Selection				
	Business Idea Generation (1 day)	50	128	4608	1,025,664.00
		50	128	4608	1,025,664.00
3	Business Plan Development				
	Business Plan Preparation (02 Days)	418	421	17778	7,007,359.49
	Business Plan evaluation (01 Days)	249	136	5489	882,295.45
		667	557	23267	7,889,654.94
4	Marketing				
	Trade fair	1			
	Alewi man petha	9	14	1542	337,133.00
		10	14	1542	337,133.00
5	Technical Training				
	Packaging Programme	1			
	Technical Training Programme	5	7	79	48,160.00
		6	7	79	48,160.00
6	Costing and Accounting				
	Financial literacy & Accountancy (1 day) 1 step	34	22	617	164,582.56
	Financial literacy & Accountancy (1 day) 2 step	26	2	54	9,515.00
	Loan discharge programme		1	0	4,450.00
		60	25	671	178,547.56
7	Follow-up & Project Visit				
	Project Inspection		11	168	164,232.00
	Project Visit (3 days)	253	205	5287	2,935,914.17
	Pre Visit (2 days)	70	61	1483	687,957.85
	Follow-up	2	13	271	152,434.00
	Other (Stationary)				32,480.00
		325	290	7209	3,973,018.02
	Total	1227	1205	51771	14,941,566.87

Table No. 3.4: Progress of Swashakthi Programme

3.1.6 Implemented Activities

❖ “Vyavasaya - 2017” Exhibition



❖ Trade Fair and Exhibitions



❖ "Swashakthi" Loan Scheme



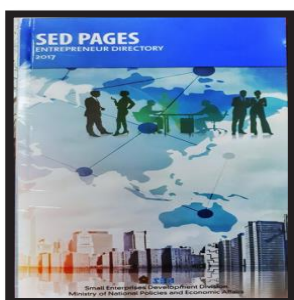
❖ Entrepreneurship Development Training Prog



❖ "Alewimanpetha" Marketing Programme



❖ SED Pages



3.2 National Youth Service Council

3.2.1 Introduction & Major Functions

Introduction

In the 1960s the youth wave that blew through Asia was affected to Sri Lanka. In this situation public institution was a need for promoting economic of young people. The legal framework of National Youth Services council further was strengthening with issuing the act of No. 69 of 1979. The social, economic, cultural and political activities in the youth development fields have been expanded. In the last three decades, National Youth Services Council development activities were expanded. In Youth programs receive direct benefits was enacted for rural youth in 2017.

Major Functions

i. Youth Development

- Implementation of National Policies related to Youth Development.
- Organize and Empower of youth.
- Development of Sports and Cultural competencies of youth.
- Development of Leadership and Personality of youth.
- Development of an international recognition for Sri Lankan youth.

ii. Entrepreneurship Development

- Promotion of small business sector among youth community.
- Introducing new business opportunities for youth.

iii. Skills Development

- Formulation and implementation of policy programs pertaining to Skills Development.
- International cooperation in Skills Development.
- Formulation and implementation of policies related to youth human resource development.

iv. Vocational Training Development

- Formulation and implementation of national policies related to Vocational Training Development.
- Providing career guidance and counselling.
- Introduction and development of training courses for government and private sector training Institutes.
- Development of quality of the vocational training programmes.
- Enhancement of infrastructure facilities in vocational training institutes.

3.2.2 Performance – 2017

A. Development Programme – Physical progress from 2017.01.01 to 2017.12.31

i. Youth and Skills Development Programme

- Divisional Youth Awards Competition (Programmes 64 – Participants 6400)
- Districts Youth Awards Competition (Programme 26 – Participants 2190)
- National Youth Awards Competition (Programme 1 – Participants 950)
- National Youth Awards Ceremony (Programme 1 – Participants 550)
- Youth Drama Competition – Provincial (Programme 10 – Participants 1710)
- National Youth Drama Competition (Programme 1 – Participants 300)



- Development of Aesthetic Institutes (Bellwood, Maharagama, Eraminiyaya,) (Programme 03 – Participants 271)
- Drama & Performing Arts Diploma (Programme 01 – Participants 40)
- National Cultural Programme (Programme 03 - Participants 1250)
- Youth Drama Displays (Programme 01 - Participants 3150)
- UN Youth Delegates Programme (Programme 01 – Participants 02)
- International youth exchange programs (Programme 17 – Participants 356)
- International workshops for the Zonal youth 2017 (Programme 11 – Participants 38)
- International Volunteer Programme- (Programme 42 – Participants 380)
- International workshops for the Officers 2017 - (Programmes 04 – Participants 17)
- Training Programme for Selected Youth in Foreign Pool-(Programmes 02-Participants 183)
- 29th "NIPONMARU" programme (Programmes 02 - Participants 24)

- Programme of 'HOPE 2017' (Youth Clubs 1425 – Participants 46100)
- Reorganization youth clubs Programme of 'HOPE 2017'(Youth Clubs 12133 – Participants 291621)

- Awareness programme (Programmes 334 – Participants 3,340)
- Divisional Federation (Programmes 334 – Participants 33,400)

- District Federation (Programmes 26 – Participants 3,900)
- National reconciliation Programme (Programmes 01 – Participants 1,532)
- Youth Exchange Programme (Programmes 10 – Participants 661)
- National youth Day- (Programmes 26 – Participants 6,300)
- National youth Day – Drugs prevents (Programmes 01)
- The Duke of Edinburgh's International Award Programme- (Programmes 02 – Participants-89)
- Bronze, Silver, Gold Award presentation felicitation of senior award leaders (Programmes 01 – Participants 1,248)
- Special project - prison and child home (Programmes 17 – Participants 501)
- Foreign relationship programme (Programmes 03 - Participants 107)
- 29th National Youth Sports Divisional Festival 2017 (Programmes 334 – Participants 270,016)
- 29th National Youth Sports District Festival -2017 (Programmes 26 – Participants 41,599)
- 29th National Youth Sports Team Competition - 2017 (Programmes 17 – Participants 3,395)
- 29th National Youth Sports Festival -2017 (Programmes 01 – Participants 1,522)
- Sri Lanka Youth National Pools (Volleyball, Kabadi, Judo) (Programmes 03 – Participants 67)
- Sri Lanka Youth Sports Club – Maharagama (Programmes 15 – Participants 1225)
- Taruna Sewa - Rupavahini Volleyball District Tournament (Programmes 26 - Participants 10,125)
- Tarunasewa - Rupavahini Volleyball National Tournament (Programme 01- Participants 650)
- Taruna Sewa – Super league (Programme 01 - Participants 137)
- Sports Training Camp District (Programme 09 - Participants 513)
- Distribution of Sports goods (Programme 100)
- Media coverage (Television advertising 480, Radio advertising 392, Newspapers 466, Other advertising 381)
- Media School (Programme 18 – Participants 3750)
- Media Workshop (Programmes 12 – Participants 750)



- Video Coverage (Programmes 182)
- Short Film Festival (Programmes 01 - Participants 550)
- Short Film workshops (programmes 01 – Participants 242)
- Special Dancing team and National Youth Services Council's Musical Band (Programmes 02 - Participants70)
- Youth Parliament Sessions (Programmes 06 – Participants 284)
- Youth Parliament – Training programme (Programmes 04 – Participants 583)
- “Youth With Talent “ Project (Projects 2962 - Programmes 03 - Participants 73848)
- “Youth With Talent “ Reality Show (Programmes 01 – Participants 333- Episode 14)
- YowunPura (Programmes 01 participate -5,920)



ii. Entrepreneurship Development

- Entrepreneurship training programs (Programmes 14 – Participants 412)
- Training Programme for Dried Fish (Programmes 02 – Participants 54)
- NISCO development Programmes (Programmes 02 - Participants 135)

iii. Vocational Training Development

Vocational Training Programmes (Full Time Courses 53 – Trainees 1,044 / Part Time Courses 782 – Trainees 21,510)

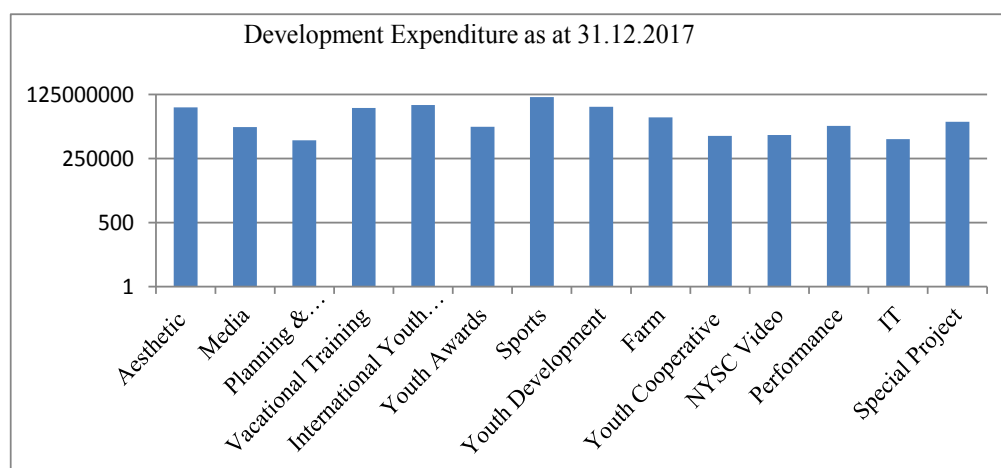
- Finalizing Results & Issuing certificates -Non NVQ & NVQ courses. (2016 – 2nd Batch) (Programmes 02 - certificates 13,959)
- Conducting Pre-Assessments & final Assessments - (Courses 168 - Participants 2050)
- On the Job Training (OJT) – (Programmes 04 – Participants 3323)
- Development of Farms (Programme 16)
- Agricultural Course (Programme 14 – Participants 209)
- Developing Sri Lanka Youth Career Guidance Centres & Job Bank Centres (Programme 22 – Participants 8,827)
- Awareness Programme (Trainees, School Leavers, School Dropouts, Parents) (Programme 274 – Participants 24,873)
- Job Fair (Job Fairs-26, Job Placement 1407 – Participants 7,549)
- Development of Sri Lanka Youth Counselling Centres (Programme 12 – Participants 4,387)

iv. Organizational Development

- EB Exam (Programme 02 – Participants 774)
- Staff Training Programmes (Programme 30 – Participants 2112)
- Training of Staff Performance (Programme 14 – Participants 297)
- Preparation of Plan (2017 Action Plan - 1, Action Plan 2018 Draft - 01 , Districts plans -26, Organizational Result Framework – 03 , Development Plan 2018 - 01)
- Preparation of Annual Report 2015, 2016
- Progress Review Meeting (Head Office – 11)
- Regional Office Meeting (Programme – 04)
- Library Development (Programme 01)
- Development of the IT Division
 - Web Design – 01
 - Develop web based system for availability of services through youth Database – (Youths – 116930)

- Renovation of the Hostel Building Roof , swimming pool and Main Hall at Youth Centre, Maharagama
- Proposed Wash Room for Anuradhapura Youvn Nikethanaya
- Renovation , Modification & Improvement of Training Building at Rathmalana
- Renovation , Modification & Improvement of Training Building at Lovelane
- Proposed Refurbishment work at Dambulla Training Centre
- Proposed Wash Room for Panadura Training Centre
- Refurbishment work at Training Centre Chilaw
- Renovation of Youth Center Maharagama (Other Development)
- Proposed Additions, Modifications, & Improvements of Training Centre at Belwood
- Renovation, Modification, & improvement of Training Centre at Sapugaskanda
- Addition, Modification, & improvement of Training Building at Polgolla
- Renovation, Modification, & improvement of Training Centre at Orubandhiwewa
- Construction of Hostel building & Volleyball court at Piliyandala
- Construction of Youth Centre for Jaffna-Kopai
- Addition, Modification, & improvement of Youth Centre at Kolonnawa
- Renovation, Modifications, & Improvements of District office Building at Matara
- Construction of Training Building at Akurassa
- Renovation, Modification, & improvement of Training Centre at Meerigama
- Renovation, Modification, & improvement of Training Centre at Monaragala
- Renovation, Modification, & improvement of Training Centre at Nilaweli
- Renovation, Modification, & improvement of Training Centre at Polonnaruwa
- Renovation of Island wide, District offices & Training
- Renovation, Modification, & improvement of Training Centre at Beruwala
- Buying of Practise Training equipment
- Establishment of District Karate Training centres

3.2.3 Financial Progress



3.3 National Youth Corps

3.3.1 Introduction

National Youth Corps (NYC) functioning under the purview of the Ministry of National Policies and Economic Affairs was established under the Act '21 of 2002' with its services dedicated to the younger generation of Sri Lanka, NYC has 50 Training Centers island wide, out of which 2 are focused on Vocational Training.

NYC's target group comprises of young school leavers between the ages of 18-28. NYC is an organization tasked with the mission to produce a courageous, healthy younger generation, enriched with personality and leadership. Upon completing a six month training programme, the youth are directed to vocational and on-the-job training, even introduced to the job markets in both, public and private sectors and overseas employment opportunities.

NYC Head office is located at, 420, Bauddhaloka Mawatha Colombo 07, and the organization is headed by Brigadier Indunil De Silva, the Director.

3.3.2 Courses

Training of Personality Development & Leadership is conducted in 2 phases.

1. NYC Training (Basic Training)
2. Vocational Training / On- the- Job Training

NYC Training (Basic Training)

- ❖ Personality Development
- ❖ Career Guidance
- ❖ Information Technology
- ❖ Aesthetic
- ❖ Spoken English/ Tamil
- ❖ Drill Squad

The following facilities will be provided for the rangers during training

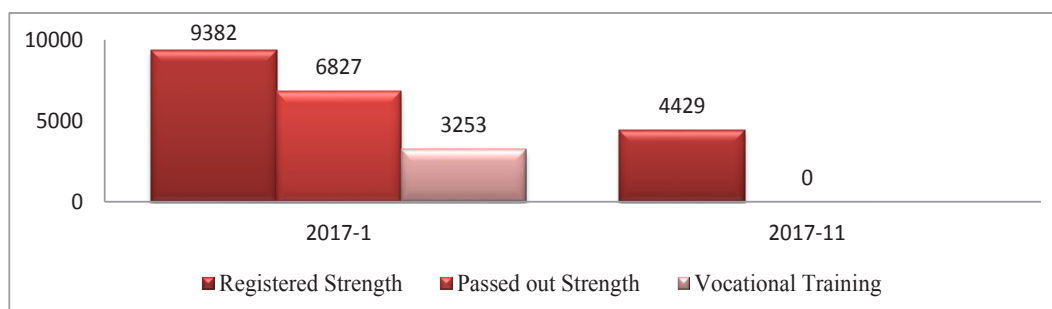
- ❖ Breakfast, lunch, tea and dinner
- ❖ Uniforms
- ❖ Attendance allowance Rs.3000/-
- ❖ Life Insurance

Vocational Training / On- the- Job Training

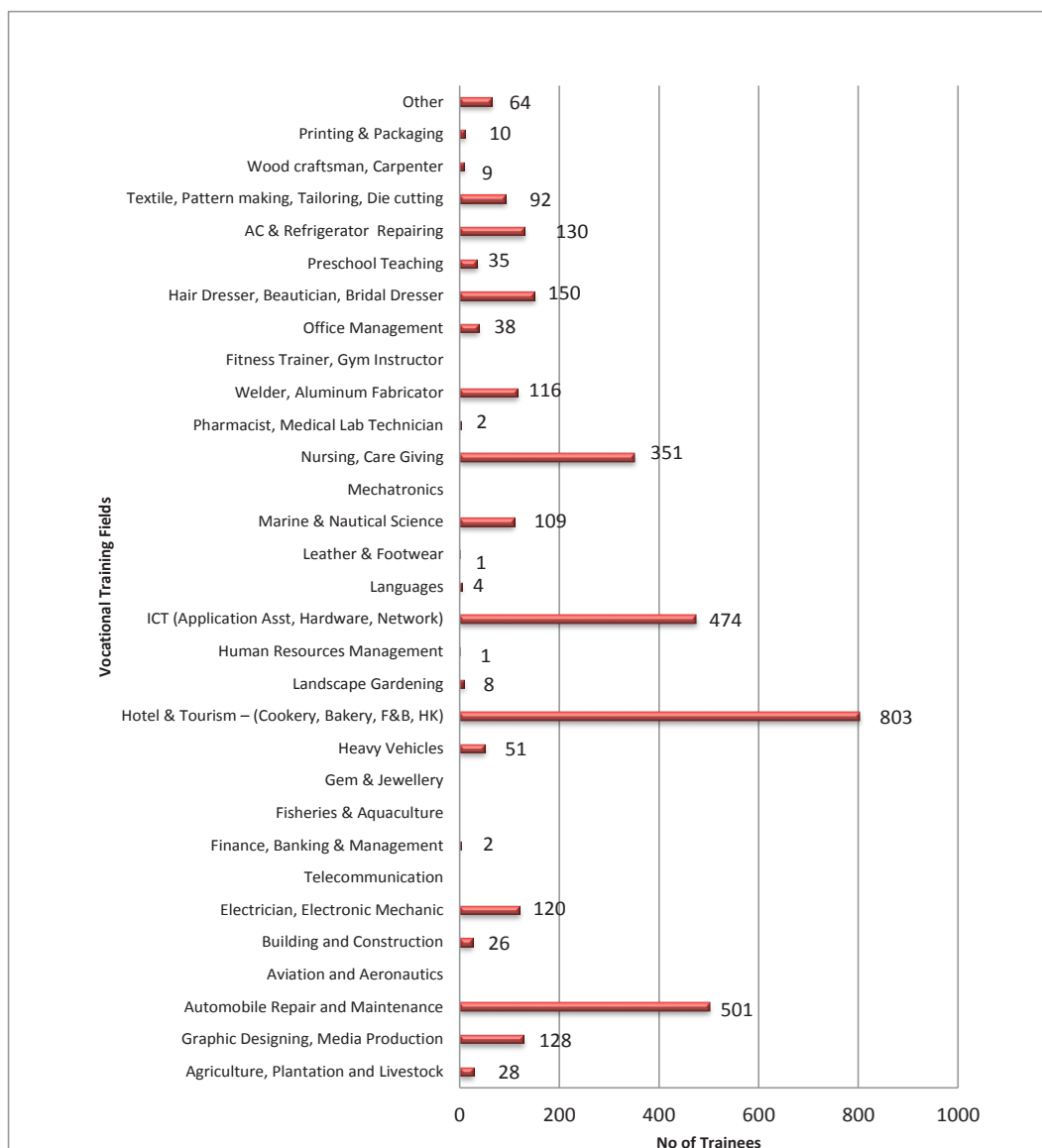
- ❖ Vocational Training allowance Rs. 10,000/-

Batch	Registered Strength	Passed out Strength	Vocational Training
2017-1	9382	6827	3253
2017-11	4429	yet to be completed	

Table No. 3.5: Training Progress 2017



Vocational Training Placement



3.3.3 Action Plan Progress 2017

S.N	Thrust Area and Key Activities	Estimated Budget	Unit Indicator	Output	Cumulative up to 31.12.2017
1	Training of Youths (In house Training)	100	No of Programme	96	94
			No of Student	7500	13811
2	Vocational Training	8.45	No of Student	5600	2396
			No of Programme	96	28
3	Training of Schools' Student Council members/ Youth	0.5	No. of Participant	3000	1850
			No of Programme	96	66
4	Adventure Based Training	11	No. of Participant	7500	6994
			No. of Event	1	-
5	Vidura Harasara	0.75	No. of Participant	1000	-
			No. of Event	1	-
6	Annual Visual art Camp (Y-ART)	0.25	No. of Participant	200	-
			No. of Events	96	91
7	STD Prevention Programme	0.08	No. of Participant	7500	9118
			No. of Events	96	92
8	NCD Prevention Programme	0.08	No. of Participant	7500	9437
			No. of Events	96	92
9	Drug Addicton Prevention Programme	0.1	No. of Participant	7500	8221
			No. of Events	96	50
10	Protecting Sri Lankan Environment	-	No. of Participant	7500	7373
			No. of Events	96	63
11	Law of the Country	-	No. of Participant	7500	4160
			No. of Events	96	53
12	National Reconciliation	-	No. of Participant	7500	3670
			No. of Events	96	93
13	Yowun shilpa	0.9	No. of Participant	7500	8023
			No. of Events	96	-
14	All Island Art Festival (Kala Ulela) Annual Programme	0.9	No. of Participant	1300	-
			No. of Events	8	-
	Art Festival (Kala Ulela) Provincial	0.25	No. of Participant	2000	-
			No. of Events	96	94
15	Sport Festival - Center-wise	1.31	No. of Participant	7500	7968
			No. of Events	9	9
	Sport Festival - Provincial		No. of Participant	3750	2030
			No. of Events	1	1
Sport Festival - All island	No. of Participant	3750	1500		
	No. of Events	96	94		
16	Debate Competition - Center-wise	0.1	No. of Participant	1536	1650
			No. of Events	2	-
17	All Island Quiz Competition	0.13	No. of Participant	200	-
			No. of Events	16	17
	Quiz Competition - Provincial	0.15	No. of Participant	550	530
			No. of Events	96	94
Quiz Competition - Center-wise	No. of Participant	7500	8802		
	No. of Events	96	94		
18	Essay Competition - Center-wise	-	No. of Participant	7500	8929
			No. of Events	96	48
19	Parents' Day	1	No. of Participant	7500	5002
			No. of Events	1	1
20	IYD Event	0.4	No. of Participant	590	590
			No. of Events	1	1
21	Anniversary of Open Economy	1.5	No. of Participant	1150	850
			No. of Events	48	17
22	Disaster Management	-	No. of Participant	3750	1433
			No. of Events	48	44
23	Suhada hamuwa	0.6	No. of Participant	11750	3750
			No. of Events	96	47
24	Passing out Ceremony- Centre- wise	7.1	No. of Participant	7500	6827
			Man Days	2000	4052
25	Institutional Development/Staff Development (TOT)	10	No of Programme	6	6
			No of Trainees	80	124
26	Special Training Programme of BPO	2.3	No of Programme	10	10
			No of Trainees	400	363
27	Special Training Programme Hotel school	6.3	No of Programme	6	6
			No of Trainees	80	124

Table No. 3.6: Progress of Action Plan- NYC

Passing out Parade



National Drill Competition



National Sports Meet



Adventure Based Training



Community Work



3.4 National Center for Leadership Development

3.4.1 Introduction & Major functions

Introduction

The National Centre for Leadership Development which is being implemented by utilizing the existing lands and constructions of the premises, designed for the “Gamuda exhibition” in 1985 at Embilipitiya Newtown in Ratnapura district. NCLD is controlled by residential director under the Ministry of National Policies and Economic Affairs

Major functions

- Implementation of training programmes
 - ✓ Programmes operated by NCLD.
 - Leadership development training programmes for School prefect.
 - Leadership development training programmes for school teachers.
 - Leadership development training programmes for youth club members.
 - Leadership development training programmes for Dahampasal teachers.
 - Leadership development training programmes for Development Officers.
 - Leadership development training programmes for Community base Organization leaders.
 - Leadership development training programmes for Local government members.
 - ✓ Programmes operated by NCLD according to the needs of external institutes.
 - ✓ Providing resources persons services for programmes operated by external institutes.
- Providing facilities for training programmes
 - ✓ Providing foods, accommodation and lecture halls programmes of external institutes.

Progress of Annual Action Plan for Capital Budget – 2017 (up to 31.12.2017)

Programmes/Activities	Location D.S.D./ District	Budgetary Allocation		Expenditure up to 31.12.2017	Time Frame		Output/Outcome		Financial Progress up to 31.12.2017	Physical Progress up to 31.12.2017	Officer responsible		
		Source of Funding	Amount (Rs. Mn)		Start Date	End Date	Targeted outputs to be delivered	KPI/ Outcome Target					
1.Repairing Sewana hostel gate, fence & flag-pole	Katnapura, Embilitiya	Ministry Funds	1.9	1854544.59	April	Oct.	No. of items repaired	02	97.6%	100%	Director & Accountant		
2.Repairing office plant machinery & equipment			0.4	397166.11	April	Nov.	No. of machines repaired	03	99%	100%			
3.Repairing office vehicles			0.5	500000.00	April	June	Vehicles repaired	02	100%	100%			
4.Purchasing office furniture & office equipment			0.7	699742.50	May	Oct.	No. of items purchased	05	99%	100%			
5.Purchasing office plant machinery and equipment			0.3	300000.00	May	Oct.	No. of machines purchased	04	100%	100%			
6.Staff training programmes (providing training to youth & school prefects)			6.5	6480850.75	79	99.7%	101%	No. of programmes to be held	95	99.3%		100%	
(i)Leadership development programmes for school prefect													45
(ii)Leadership development programmers for youth club members													04
(iii)Leadership programmes on school teachers													02
(iv)Leadership development programmers for Dahampasal Teachers													02
(v)Leadership programmes on Development Officers	02												
(vi)Leadership development programmers for Community base organization Leaders	02												
(vii)Leadership development programmers for Local Government Members	18												
(viii)Feedback workshop on conducted programmes	01												
(ix)Office staff development programmes	01												
(x)Training programmes for training staff & development officers	01												
Grand Total		10.3		5,244,065.75					99.3%	100%			

Table No. 3.5: Progress of Action Plan- NCLD

Chapter 04

Performance of Departments & Institutions under the Ministry

4.1 Department of National Planning (NPD)

4.1.1 Clusters of the Department

- Macro Economic Development
- Agriculture, Irrigation, Land, Livestock and Fisheries
- Industries & Trade, Power & Energy
- Roads, Ports, Aviation & Transport
- Urban Development, Housing, Water and Environment
- Health & Indigenous Medicine, Sports and Culture
- Education, Higher Education & Skills Development, IT, Science and Technology
- Regional Development and Social Protection
- Public Management and Governance
- Decentralized Capital Budget (DCB)

4.1.2 Progress of the Department of National Planning as at 31-12-2017

I. General Progress

- Prepared the Report on Post disaster recovery and Reconstruction Plan: Floods and Landslides” May 2017
- Continued the work on the preparation of Southern Development Plan
- Organized a workshop on the SASEC Sanitary/Phytosanitary and Technical Barriers to Trade Diagnostic Study

II. Sector wise Progress as at 31.12.2017

➤ Agriculture, Irrigation, Land, Livestock and Fisheries

Agriculture Sector

- Developing a Management Information System (MIS) for Paddy/ Rice sector in collaboration with University of Kelaniya
- Preparation of a report on Sustainable Development Goal No. 2 and 14 identifying strategies, national indicators, programmes and financial allocations related to the targets.

Irrigation Sector

- Organized and Participated in National Project Oversight Committee (NPOC) Meeting of Climate Resilience Improvement Project(The World Bank Funding)
- Formulated Strategies for Developing Water Resources and Supplying Potable Water to Jaffna Peninsula- Vadamarachchi lagoon in consultation with Ministry of Irrigation and Water Resources Management
- Prepared of basin investment brochure on salient projects for flood mitigation in river basins during the period of 2018 - 2024

Fishery& Livestock Sector

- Participated in National Committee Meeting on Livestock and Poultry at Sri Lanka Council for Agricultural Research Policy (SLCARP)
- Prepared a development proposal for the fishery sector in the Northern and Eastern Provinces - ONUR programme
- Compiled a Business proposal for Fisheries Sector.

Plantation Sectors

- Participated in steering committee meeting on Smallholder Tea and Rubber Revitalization (STaRR) Project
- Preparation of a Note for “Restructuring of Regional Plantation Companies”

Land sector

- A Cabinet Paper was prepared and submitted on Five Land Parcels in Kalpitiya area to be vested to the Sri Lanka Tourism Development Authority for the promotion of Tourism industry
- A special presentation was prepared and presented at the Official Committee on Economic Management (OCEM) on the draft Act of Expeditious Expropriation of Lands and Accelerated Resettlement of Persons affected by National Priority Projects.

➤ Health & Indigenous Medicine, Sports and Culture

Health

- Conducted several meetings and provided observations/ inputs to officials of WHO, World Bank, KOICA, JICA etc. to obtain financial assistance for the implementation of foreign funded projects.

Sport Sector

- Conducted meetings with Ministry of Sports and other relevant agencies in relation to project proposals submitted by the Ministry of Sports.
- Arranged a lecture on “Importance of engaging physical activities for prevention of Non Communicable Diseases” for the Sports and Physical Health Promotion Week on 8th February 2017, for all the officials of Department of National Planning

➤ Urban Development, Housing, Water and Environment

Housing and Construction Sector

- Prepared a Cabinet Memorandum on Developing a Mechanism for Transferring the Ownership of Public Rental Housing to dwellers who have lived there more than 15 years. A Cabinet Memorandum was prepared on the above and submitted to the Cabinet of Ministers.
- Prepared a list of projects including Ongoing and New Projects and Annual Programmes for Housing and Construction sector and Urban Development sector to include to the Budget 2018.

Urban Sector

- Prepared concept papers for Urban Development sector incorporating future development strategies.
- Updating the Project Pipeline considering the proposed projects to be implemented in future years.
- Preparation of a report on Sustainable Development Goal Number -11 “Sustainable Cities and Communities” identifying strategies, national indicators, programmes and financial allocations related to the targets.

➤ Regional Development and Social Protection

Social Protection Sector

- Designed a programme by preparing a concept note on Rural Area Strengthening – Reducing Rural Poverty in a Sustainable Basis
- Submitted a Proposal on a Rural Economy Strengthening Programme in Galle, Matara, Hambantota, Rathnapura And Moneragala Districts
- Conducted a Survey on Village Level Economic Activities

- Conducted an Evaluation on Social Protection Sector and Sustainable Development Goals (SDGs)
- Prepared a Project Proposal for Technical Assistance (TA) to Formulate a National Social Protection Strategy
- Prepared of Terms of References (TORs) for the Activities of the Social Safety Nets Project
- Assisted to Prepare Operational Manual on National Social Protection Strategy
- Evaluated the Proposed World Food Programme Country Strategic Plan 2018-2022
- Prepared a Cabinet Memorandum for the Establishment of Training Programmes for the Childcare Sector
- Assisted in obtaining Technical Assistance (TA) to Develop Eldercare Web Site
- Prepared of Day care Policy.

Decentralized Capital Budget Programme

Department of National Planning provides technical assistance to manage the allocation of Decentralized Capital Budget (DCB) Programme for all National List Members of Parliament (MP). The purpose of the DCB Programme is regional development through the implementation of projects in the field of infrastructure, spiritual and social development, creation of employment opportunities and vocational training. It has been allocated Rs 290 million to all National List MPs for 2017. (Each MP is granted an allocation of Rs 10 million). The Department has recommended 1909 projects to the value of Rs. 283 million under this programme as at 31st December 2017.

III. Project proposals and Cabinet Memorandums as at 31.12.2017

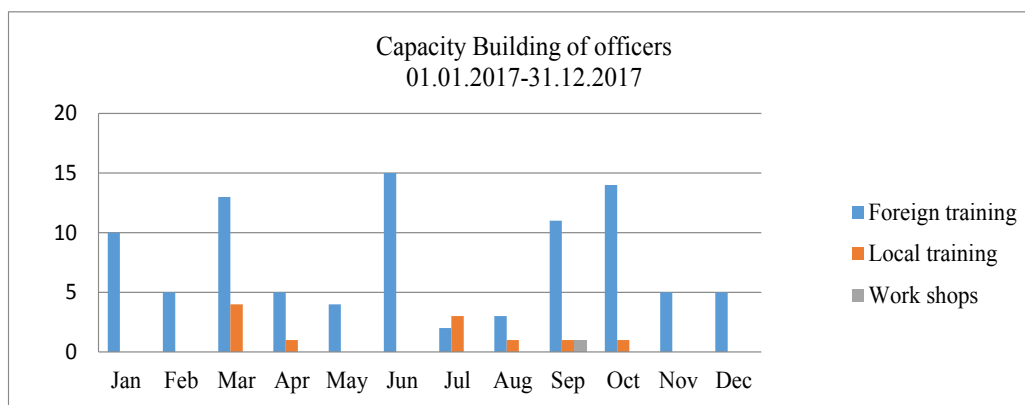
Sector	Project Proposals		Cabinet Memorandum	
	No. Of Project Proposals Received for evaluation until 2017/12/31	No. Of Project Proposals evaluated until 2017/12/31	No. Of Papers received for the recommendation as at 2017/12/31	No. Of Cabinet Papers Submitted to the Cabinet as at 2017/12/31
Agriculture, Irrigation, Land, Livestock and Fisheries	95	95	43	43
Industries & Trade, Power & Energy, Tourism	184	118	24	24
Roads, Ports, Aviation & Transport	24	23	13	13
Urban Development, Housing and Water Supply	193	181	31	31
Environment and Disaster Management	21	21	24	24
Health & Indigenous Medicine, Sports and Culture	78	78	17	17
Education, Higher Education 7 Skills Development, IT, Science and technology	126	126	29	29
Regional Development & Social Protection	32	32	22	22
Public Management and Governance	47	47	10	10

Table 4.1: Project proposals and Cabinet Memorandums as at 31.12.2017

IV. Administration Division

❖ Capacity Development Programme – From 2017.01.01 to 2017.12.31

The detail of the Capacity Building of the staff officers at the Department of National Planning from 2017.01.01 to 31st December 2017 (Foreign Trainings- 87, Local Trainings- 11 and Organized workshops by NPD- 01) given in the following graph;



❖ Center for Development Information – Performance

- The Modernization project of the CDI Library was completed in August 2017.
- News alert services and content page services are continued.
- Started online catalog for book issuing and receiving for readers.

V. Performance of Capital expenditure (01.01.2017 – 31.12.2017)

Key Activities	Item Description	Budgetary Allocation Rs. ('000)			Actual Expenditure Rs. ('000)	Progress (%)
		Budget Estimate	Supplimentary /FR66	Total		
Rehabilitation and Improvement of Capital Assets	Building and Structure	3,000	-	3,000	222	7.39
	Vehicle	1,000	-	1,000	861	86.06
	Total	4,000	-	4,000	1,082	27.06
Acquisition of Capital Assets	Furniture & Office Equipment	2,300	-	2,300	1,284	55.81
	Total	2,300		2,300	1,209	52.56
Capacity Building	Staff Training	3,000	923	3,923	3,908	100.00
	Total	3,000		3,000	3,000	100.00
Total Capital Expenditure		9,300		10,223	6,274	61.37

Table 4.2: Performance of capital expenditure

4.2 Department of External Resources

4.2.1 Functions

- Conduct consultations with development partners to identify development assistance strategies and priorities.
- Co-ordinate Annual Country Aid Programming activities of the development partners in consultation with the line Ministries/Agencies.
- Prepare project pipelines for foreign financing in consultation with the line Ministries/Agencies, National Planning Department
- Co-ordinate activities of donor missions from the fact finding stage to the appraisal stage.
- Negotiate foreign aid and make arrangements for signing of loan/grant agreements and make them effective. Activities involved;
 - Conduct loan negotiations with the development partners & lending agencies;
 - Obtain Government approval and authority for signing of agreements;
 - Facilitate signing of subsidiary loan agreements between the Treasury and the implementing agencies; and
 - Fulfill conditions precedent for effectiveness of the loan agreements.
- Oversee implementation of donor funded projects by;
 - Coordinating activities connected with the review missions fielded by the development partners and follow-up on actions recommended;
 - Participating in Steering Committees set-up by the line Ministries to monitor implementation of foreign funded projects
 - Reviewing implementation of projects jointly with the development partners whenever necessary;
- Manage foreign training opportunities provided by donors under Technical Cooperation Programmes.
- Manage Government external debt database by;
 - Maintaining a database on foreign loan/grant commitments, disbursements and repayments for various users such as line Ministries, Treasury, Central Bank and individual project offices;
 - Providing information with regard to servicing of foreign debt to the Superintendent of Public Debt, CBSL; and,
 - Publishing information on foreign aid and foreign training placements provided by the donors.
- Arranging local bank financing for development projects.
- Facilitate annual budget preparation process of the Government in respect of each foreign funded development projects

4.2.2 Foreign Financing

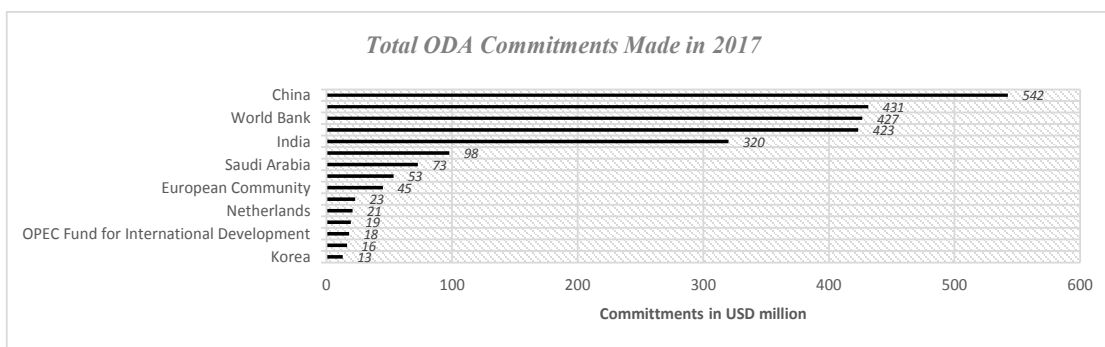
Foreign Financing Commitments 2017

To finance the public investments recognized in 2017- 2020 Medium Term Fiscal Framework in-lining with public debt management targets, the Government has entered into 54 foreign financing agreements in 2017 with foreign creditors and lending agencies worth USD 5,022.9 million.

This includes USD 2,522.1 million of Official Development Assistance (ODA) and USD 2,500 million of capital market instruments. Of the total value of commitments made as ODA in 2017, USD 2,281.4 million was committed through 28 loan agreements, and USD 241.5 million was committed through 24 grant agreements.

In addition to the foreign finances committed for development activities, the Government has acquired USD 2,500 million from international capital market in 2017 namely USD 1,000 million worth Foreign Currency Term Financing Facility Loan and USD 1,500 million of International Bond Issuance.

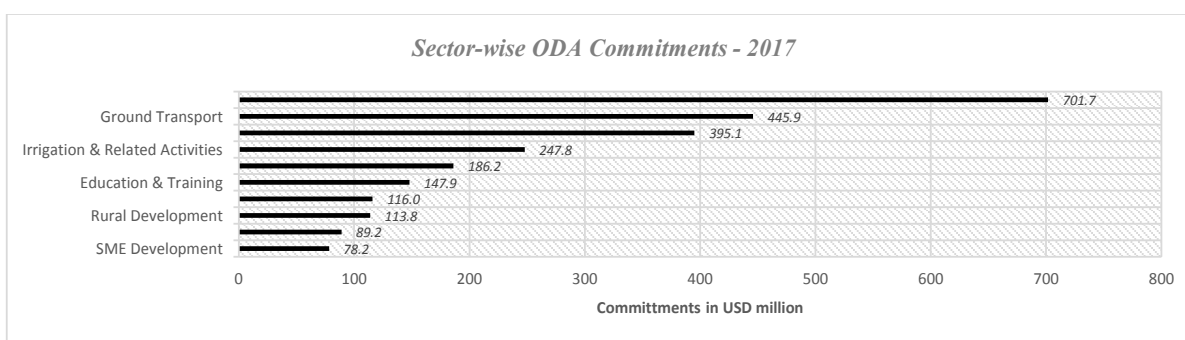
As depicted in the Chart below, the highest amount of ODA made in 2017 has been committed by China followed by Japan and the World Bank respectively. Above commitments are to be utilized in next 3-4 years mainly in the sectors of infrastructure development such as Water Supply & Sanitation, Ground Transport, Road and Bridges and Irrigation.



Source : Department of External Resources

Note: Values converted into USD as per the prevailing exchange rates of each agreement date

Water Supply and Sanitation sector received highest commitments in 2017, followed by Ground Transport and Roads & Bridges Sectors.



Source : Department of External Resources

Note : Other = Disaster Management, Humanitarian Assistance, Health and Social Welfare, Labor & Vocational Training, Ports & Shipping, Fisheries, Woman Affairs, Environment and Defense

International Sovereign Bond Issuances (ISB), Foreign Currency Term Financing Facility Loans and Sovereign Guaranteed Loans

The Government has issued an ISB in 2017 worth USD 1,500 million. This has been issued at 6.2% annual interest rate with 10 year maturity. Apart from this ISB, the Government has acquired Foreign Currency Term Financing Facility loan worth USD 1,000 million at an interest rate of LIBOR for USD + 2.0 margin. This loan facility is to be matured on 26/02/2021 and the repayments have been scheduled in 6 installments semiannually starting from 22/05/2018. In addition, the Government has issued sovereign guarantees worth USD 600.0 million for ADB funded wind power project acquired by Ceylon Electricity Board and for China funded several water sector projects obtained by Water Board of Sri Lanka.

Foreign Financing Disbursements and Utilization

Committed amounts used for development projects are to be utilized within next 4 to 5 years depending on the project implementation progress and borrowing limit approved by the Parliament each year. The disbursements made through the development projects and programs funded by foreign development partners and lending agencies in 2017 amounted to USD 1,668.7 million, of which, USD 1,638.2 million disbursed through loans and USD 30.5 million through grants.

Development Partner	Amount Disbursed (USD million)		
	Loan	Grant	Total
Bilateral	1,022.2	10.2	1,032.4
China	589.8	-	589.8
Japan	156.0	9.6	165.6
Netherlands	15.3	-	15.3
United Kingdom	40.7	-	40.7
India	62.0	-	62.0
Spain	31.8	-	31.8
Korea	4.6	-	4.6
United States of America	9.4	-	9.4
Saudi Arabia	19.0	-	19.0
Germany	5.9	0.6	6.4
Kuwait	9.8	-	9.8
Denmark	14.3	-	14.3
Hungary	5.3	-	5.3
Austria	6.7	-	6.7
Belgium	3.0	-	3.0
Australia	10.0	-	10.0
France	38.6	-	38.6
Multilateral	616.0	20.3	636.4
World Bank (IBRD & IDA)	218.8	9.5	228.4
ADB	360.9	-	360.9
UN Agencies	12.0	10.8	22.8
OPEC Fund	24.3	-	24.3
Total	1,638.2	30.5	1,668.7

Table 4.2 : Foreign Financing Disbursements of ODA – 2017

Source : Department of External Resources

Note: Financial values disbursed in different currencies have been converted into USD as per yearend exchange rates
Disbursements of State Owned Enterprises are not included
- = No disbursement were made

Similar to last year, of the total disbursements made for development projects and programs in 2017, the highest amount of disbursements has been utilized for Road and Bridges sector followed by Water Supply & Sanitation sector, Power and Energy and Health & Social Welfare sectors respectively.

Economic Sector	Amount (USD million)
Roads and Bridges	819.2
Water Supply & Sanitation	174.9
Power & Energy	150.3
Health & Social Welfare	93.0
Ground Transport	77.5
Irrigation & Related Activities	68.5
Education & Training	53.9
SME Development	37.5
Labor & Vocational Training	35.5
Defense	33.4
Livestock Development	26.9
Disaster Management	22.8
Agriculture	20.8
Housing & Urban Develop.	19.1
Environment	15.5
Other	20.0
Total	1,668.7

Table 4.3 : Sector-Wise Composition of ODA Disbursements in 2017

Source : Department of External Resources

Cumulative Undisbursed Balance (CUB)

Once a loan agreement is signed to proceed with the implementation of a development project, the disbursements are mostly taken place over a period of 3-5 years. Since about USD 12.3 billion worth of loans and grants were signed during last 5 years for the implementation of development projects and programmes, a considerable amount of funds is to be disbursed during next few years from the development partners and lending agencies.

China is accounted for the majority (almost 22 percent) of the committed foreign financing yet to be disbursed in next few years as China had a substantial commitment on major development projects, especially in the infrastructure projects during last few years. Similarly, Japan, World Bank, and ADB, also have a considerable amount of funding to be disbursed during next 3-5 years from commitments they already made.

Lender	USD million	%
Bilateral		
China	2,015.8	22.3
Japan	1,740.2	19.2
India	535.8	5.9
France	491.6	5.4
Iran*	399.4	4.4
Saudi Arabia	162.7	1.8
Russia	134.7	1.5
Netherlands	129.0	1.4
Kuwait	92.9	1.0
Korea	87.0	1.0
Germany	39.6	0.4
Spain	30.3	0.3
Austria	26.4	0.3
Denmark	20.0	0.2
Pakistan	14.9	0.2
USA	10.3	0.1
United Kingdom	3.2	0.0
Australia	1.1	0.0
Belgium	0.4	0.0
Sweden	0.4	0.0
Multilateral		
Asian Development Bank	1,707.7	18.9
World Bank (IDA)	979.2	10.8
World Bank (IBRD)	185.1	2.0
OPEC Fund	126.6	1.4
International Fund for Agricultural Development	59.7	0.7
European Investment Bank	59.1	0.7
Total	9,053.1	100.0

Table 4.4: CUB at the end of 2017

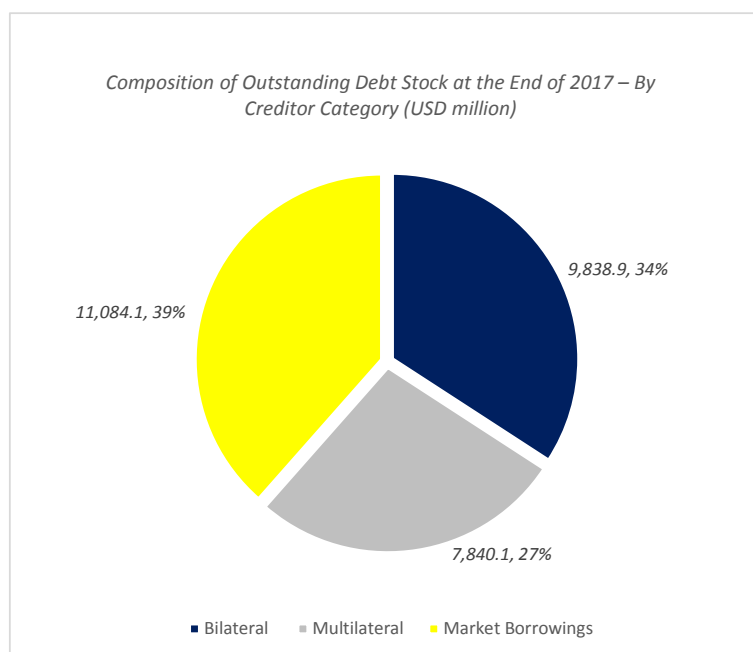
Source : Department of External Resources

Note : Financial values in different currencies are converted into USD as per the exchange rates applicable to 31 December 2017

* CUB of Iran is effected by international sanctions imposed on Iran, CUB of State Owned Enterprises are not included

¹ Non-resident holdings of Treasury Bills/Bonds and debt stock of State Owned Enterprises are not included

17, which is an increase of USD 3.4 billion (or about 13 percent) when compared to USD 25.3 billion at the end of 2016. As depicted in Chart 6.3, the market borrowings and commercial loan arrangements made through the frequent issuances of ISBs and through Foreign Currency Term Facility Loans during last few years has caused the market borrowings portion of the debt portfolio to represent about 39 percent of the total Government foreign debt stock.



Majority of the external debt stock consist of International Bond Issuance (ISB) and Foreign Currency Term loan by the end of 2017. These non-concessional loans are to be matured during 2020 – 2027 period. Second highest stock consists of finance obtained from ADB, followed by China and Japan.

Debt Service Payments

Total External debt service payments² in 2017 amounted to USD 2,103.8 million, of which USD 1,343.2 million accounted for principal repayments and USD 760.5 million accounted for interest payments.

² Total Debt Service = Interest Payments + Principal Repayments, Debt service of SOEs are not included

4.3 Department of Census and Statistics

4.3.1 Introduction

The Department of Census and Statistics is the Central Government Agency responsible for collection, compilation and dissemination of statistical information for various statistical needs of the country. The Department provides data required for national planning under subject areas such as population, housing, agriculture, industry, trade and services national accounts, price index and Prices and also responsible for collection, process, analysis and dissemination of timely credible and important data for other social activities. Department also provides statistical advisory services to the external agencies through Technical Division of the department.

4.3.2 Some of the Main Activities Performed by the Department in year 2017 are as follows.

I. National Accounts in Sri Lanka

Department of Census and Statistics is the authorized institution for preparing National Accounts for Sri Lanka since 2007. Accordingly, in the year 2017 annual gross domestic product (GDP) and other macro-economic indicators were prepared by all the three approaches: Production, Expenditure and Income for the year 2016, according to the base year 2010. Quarterly GDP and other macro-economic indicators were prepared by two approaches: Production and Expenditure, for the 4th quarter of year 2016, 1st, 2nd and 3rd quarters of year 2017, according to the base year 2010. National and international data requirements are catered without delays and regarding national accounts improvements, several workshops and data improvements were done during 2017. Accordingly, two IMF missions and two ADB missions have conducted two workshops on “Rebasing of National Accounts” and “Improving the Provincial GDP”.



An awareness program was held on 24th October 2017 for stakeholders on the use of Supply & Use Table and Input Output tables jointly by the ADB and DCS

II. Preparing Indicators for Sustainable Development Goals (SDG)

In 2015, countries of the United Nations adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as a part of the new sustainable development agenda. The Department of Census and statistics has published a report on “Status of the Sustainable Development Goals and the indicators in Sri Lanka-2017” and has published a web page to provide new information related to SDG and indicators.

III. Demographic and Health Survey-2016

The final report of the Demographic and Health Survey conducted island wide in year 2016 by the DCS under second Health Sector Development Project (Component II) operated by World Bank for Health Development (with financial support) in collaboration with the Ministry of Health, Nutrition and Indigenous Medicine, was published on 18th September, 2017. This survey collected data on ever-married women of age 15-49 years and their children below 5 years, mainly consists of information related to Demographic, Health and Housing aspects. This report includes wide spectrum of information that are vital for decision making based on data for the development of Health sector in the country.

IV. Census of Population and Housing-2021

Steering committee and sub committees were set up on questionnaire designing and methodology development for the Census of Population & Housing 2021 and the draft report was prepared on enumeration methodology as well as the draft questionnaire for the Census of Population & Housing 2021.

Downloading operations of satellite photographs in Kandy, Matale, Ampara, Batticaloa, and Trincomalee districts have been finalized based on Census of Population and Housing which is scheduled to be held in 2021. Further, scanning activities of maps that were used for Census of population and Housing 2021 of Ampara, Batticaloa, Trincomalee, Puttalam, Anuradhapura and Polonnaruwa districts were also finalized. Preparation of geographical data system for Ratnapura, Kandy, Ampara and Batticaloa districts have been completed. And Geo referencing of maps in Badulla, Monaragala, Ratnapura and Kegalle districts have been finalized. Digitalization operation of Kandy and Nuwara Eliya districts are in progress.

Digitalization of Grama Niladhari divisions of Badulla, Kegalle and Ratnapura districts has been completed and 86%, 47% and 14% of Grama Niladhari division maps in Moneragala, Kandy and Nuwara Eliya districts respectively were finalized. Training classes have been conducted in all the divisional secretariat divisions of 3 districts in the Southern province, 5 districts in Northern province, Gampaha and Kalutara districts and have completed printing operation of 4981 maps of the Grama Niladhari division of above districts. Field work of the above 10 districts are in progress and field work of 727 maps under 17 Divisional Secretariat Divisions in Galle district have been finalized and collected by the respective officers in the cartography division. Further, digitalization of census blocks maps has been commenced. Moreover, maps have been prepared on request by the Government ministries, departments and related institutions.

V. Survey on Service Availability and Readiness Assessment (SARA)

This survey was conducted for the first time in Sri Lanka by Ministry of Health, Nutrition and Indigenous Medicine for systematically selected sample of 798 hospitals island wide regarding the future challenges of the Health Industry, providing services, necessary health equipment, related tools and the availability of Medicines and the condition of these machines and service readiness with the technical assistance from Department of Census and Statistics. Computerizing the data has already been completed and edition and analysis of the survey have been commenced.

VI. Demographic Statistics

Dissemination of population data to the parliament, government ministries, departments, semi government institutes, private sector organizations, researches, students & other various data users was performed on daily basis.

VII. Sri Lanka Labour Force Survey (LFS) -2017

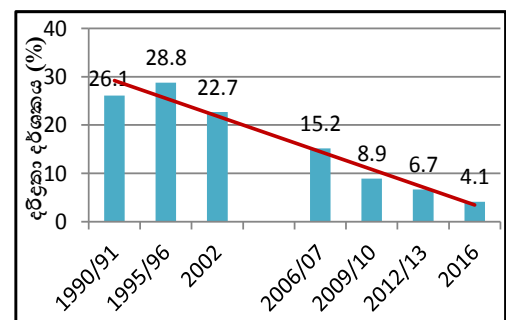
Sri Lanka Labour Force Survey(LFS) has been designed to measure the levels and trends of employment, unemployment and labour force in Sri Lanka. This survey has been conducted annually since 1990 and annual and quarterly information are issued. Field work of LFS 2017, was conducted using the tablet computers (CAPI), January to December covering the entire country. The Annual Report of the Labor Force Survey 2016 was published. Further, Quarterly bulletins and Quarterly reports of 1st, 2nd and 3rd of 2017 and annual bulletin of Computer literacy, 2016 and Computer literacy for the first six months of 2017 has also been published.

Age Group (Years)	Unemployment Rate (%)			
	Sri Lanka	Sri Lanka	Gender	
	Number	Unp.rate	Male	Female
Sri Lanka	358,350	4.2	2.7	6.8
15-24	177,934	18.3	14.7	23.9
25-29	78,691	9.8	5.4	17.4
30 & Above	101,724	1.5	0.7	2.9

Table 4.5: Number of Unemployment and Unemployment rate by age group and gender – Third quarter 2017

VIII. Household Income and Expenditure Survey (HIES)-2016

HIES is conducted once in every 3 years with the view of obtaining complete information on household income and consumption expenditure in order to measure the level and to observe the changes of social and economic situation in the country. The information collected from HIES survey is important to identify the people who are live in poverty in the country and able to provide the statistics to make policies and planning programmes targeting them to reduce poverty in the country. The final bulletin and final report of this survey were published and the poverty indicators bulletin which was prepared using this survey data was also published. According to these survey data, a downward trend of poverty in Sri Lanka could be observed during last 14 years. According to the poverty line, the population poverty rate in 2002 was 22.7% which has gone down to 4.1% in 2016.



IX. Tourism Expenditure Survey (TES)-2017/18

This survey is conducted by the Department of Census and Statistics (DCS) for obtaining the necessary data for the purpose of compiling detailed national accounts related to tourism expenditure. It was decided to conduct the survey especially to obtain the necessary information for formulating the necessary satellite data for the economic contribution of the tourism industry. The field activities of this survey cover the whole island from October 2017 to September 2018.

X. Child Activity Survey-2016

Child Activity survey was conducted to collect information on economic activities of children in the age of 5-17 years. The survey was conducted in 2016 and considering the request made by Ministry of Labour and Trade union relations and with the technical and financial support from ILO. The sample of 25,000 housing units were surveyed covering the whole country.



The first copy of the report on the Child Activity Survey-2016 was presented to Mr. M.I.M. Raffek-Secretary to the Ministry of National Policies and Economic Affairs by Dr. Amara Satharasinghe Director General of the DCS

Field work of this survey was completed in May 2016. The report was published in February 2017. The survey reported that the estimated child labour is only 1.0% of total child population in Sri Lanka.

XI. Time Use Survey (TUS)-2017

The Time Use Survey (TUS) was conducted in the last quarter of 2017 (October, November and December) using a sample of 6,250 units covering the entire country, using a separate schedule concurrently with the Sri Lanka Labor Force Survey to obtain information on how a person spends his/her time (24 hours/day). All members of the household over 10 years of age were surveyed. Specially this survey may compile some of the SDG indicators to be achieved by 2030.

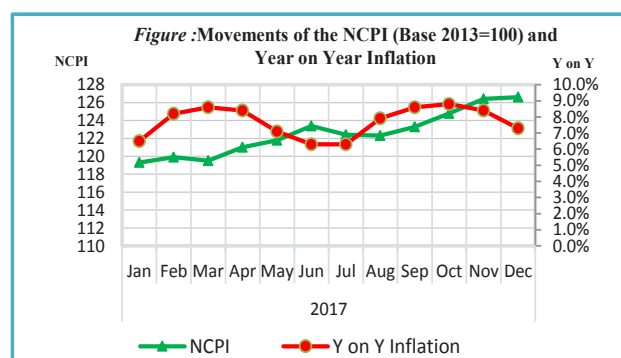
XII. Price Index

The National Consumer Price Index (NCPI) is considered as the official measure of inflation from October 2015. Up to November 2017, NCPI was compiled covering all areas of the country and published with a time lag of 21 days through government gazette, media release, news papers and department web site.

To obtain the price information for the purpose of computing the Colombo Consumer Price Index (CCPI) the test purchasing survey is carried out in urban areas of Colombo district. For compiling CCPI for the year 2017 on monthly basis, the DCS collected prices from selected fourteen pricing centers located in the Colombo urban area from 2017, January to December as per the exact specifications.

The Colombo Consumer Price Index (Base 2006/07=100) was rebased, as the base year of 2013=100 in January 2017 covering urban areas of Colombo district. According to that, from 2017, January to December Colombo Consumer Price Index (Base 2013=100) was released last working day of each month through the department web site.

For compiling Producer's Price Index, agricultural sector price information of 36 agricultural products are collected by department staff in the field attached to the DS division. For the manufacturing sector price information were collected from the 376 institutions and for the utility sector price information were collected from electricity board and water board for the year 2017, January to November.



XIII. Census on Government and Semi Government Sector Employment

A census on Public and Semi Government Sector Employment which is the 8th in the series of such censuses was conducted on 17th November 2016. Subsequent to the Census, a report on preliminary findings of the Census based on institutional summaries was released on the 17th February 2017. Data of census questionnaire which were encoded and edited related to this census were computerized. And the final report will be published in due course.

XIV. Gender Statistics

Taking into consideration the existing demand for gender disaggregated data, the department created a new web page named “Gender Statistics” in the departmental website. This web page contains gender disaggregated data produced by the Department, data collected by external institutions and data based on administrative records of external institutions.

XV. Launching of LankaStat and LankaStatMap

DCS launched their first Android application as ‘LankaStat’ in April, 2017. This application was designed to disseminate demographics, social and economic indicators published by the department to mobile devices and thereby intends to provide information to public efficiently and in a timely manner. This application can be installed on using a smart phone works on an Android Operating System after searching for ‘Lanka Stat’ in the “Google Play Store”.



Further, as the newest Sub – web site added to other sub websites maintained by the department for publishing information, ‘LankaStatMap’ was also launched in 26th April, 2017. Any person can access this sub website through its web address map.statistics.gov.lk. This sub website is capable of producing statistics prepared by the department according to a particular administrative unit (province, district, Divisional Secretariat division and Grama Niladhari Division) and their variation in various ways on maps.

XVI. Updating of Department Computer Network System

To serve the purpose of improving the security of department computer network system and networking data, security of the whole system was upgraded by using modern security techniques in 2017.

XVII. Collecting Survey data through Tablet Computers

DCS conducts census and sample surveys in various subjects and using this information official statistics in demographic, social and economic fields are prepared. For the Demographic and Health Survey conducted on request of the Ministry of Health, Nutrition & Indigenous medicine, collection data from selected housing units was done using tablet computers.

The methodology for computerizing data on the spot of Interviewing, namely Computer Assisted Personal Interviewing (CAPI) was used for this process. Sri Lanka Labour Force Survey one of the main surveys conducted every year uses this CAPI technology from year 2017 for its survey activities. Establishment of this methodology in the department was initiated by the ‘KOSTAT’ project launched by Department of Census & Statistics with the assistance of Korean Government.

XVIII. Industry and Construction Statistics

DCS conducts surveys in the Industry, Construction and Trade service sector annually and quarterly and the activities of these surveys such as editing, coding and computerizing the questionnaires received from the field of this year are being carried out in the same manner.

Field work for the 3rd quarter of year 2017 have been completed and increment rates for 3rd quarter were estimated. Likewise, calculation of production indicator and publishing of the report for the month of December, 2017 carried out.

XIX. Labour Demand Survey

Survey on Labour demand in the private and informal sector was conducted for the first time in last July in order to prepare statistics on labour force demand. 3500 institutions were selected for this survey by using systematic sample selection technology and data was collected from significant fields related to labour force demand. Data analysis has been completed and the final report has been published.

Month/Year	Index Value
December 2016	103.3
December 2017	107.7
Year on Year Change (%)	4.3

Table 4.6: Index of Industrial Productions (Base 2015=100)

XX. Agricultural Housing Units Survey-2017/18

Department of Census and Statistics conducts agricultural census once in every 10 years and provide information that are important for planning and policy making relating to Agriculture field. And also publish data required for measuring the progress of the projects related to agriculture field and structural changes of the agriculture field. Sample survey on agricultural housing unit conduct in year 2017/18 for the first time in departmental history. There are 25,000 agricultural households have been selected for this survey as cover the entire country. Field work of this survey was started in the 4th quarter of 2017 and the collection of data for this survey will be carried out by using tablet computers. Field officers are provided a training to serve this purpose.

XXI. Agriculture and Environment Statistics

Surveys such as; cost of production survey on Tea, Rubber, Coconut-2016/17, Potato production Survey-2017 and Big Onion Survey-2017 were carried out this year in the same manner. Estimation survey on paddy production 2016/2017 Maha season, has prepared report for the paddy land area cultivated and harvested and production of paddy in Yala season 2017. Highland crops statistics (referred to same Maha and Yala season) report was prepared. Similarly, preparation of Livestock statistics and the Food Balance Sheet 2016 has been calculated.

XXII. Statistical Business Register (SBR)

The Statistical Business Register is being updated based on administrative data sources. A database with core variables is planned to be introduced to update the registers at the local government authority level and are looking for possibilities to introduce unique identification number for business operating within the country to facilitate the maintenance of the Statistical Business Register.

XXIII. Statistical Training Activities

In the year 2017, 93 and 78 trainees were trained in computer technology and statistical knowledge respectively and trained 68 officers in accordance with the modules prepared for organizing the training modules. Also, 552 officers have been trained through training programs conducted by obtaining external resources or recruiting officers to outside institutions.



Awareness Program on Mental Health in Work Place

4.4 Public Utilities Commission of Sri Lanka (PUCSL)

4.4.1 Introduction

The Public Utilities Commission of Sri Lanka (PUCSL) as the Economic, Technical and Safety regulator of the electricity industry and the shadow regulator of the Lubricants has completed the following activities during the year 2017. PUCSL has also been nominated as the regulator for Water Service Industry and Petroelum Industry.

The PUCSL has implemented 85 activities in total for the year 2017 and these activities had been planned to achieve goals that have been set for Sri Lanka's electricity sector.

Division	Number of Activities
Consumer Affairs	10
Inspectorate	11
Licensing	12
Regulatory Affairs	08
Tariff & Economic Affairs	09
Environment, Renewable & Efficiency	05
Corporate Communication	08
Finance	06
Human Resources & Admin	08
IT & MIS	08

Table No. 4.7: Implemented activities in 2017

Outcome expected from above referred activities are as follows;

- To deliver “ Convenience and Productivity”for Electricity Consumers
- Affordable Electricity Supply & Sustainable Financial Stability for Electricity Providers
- Improves safety for every living being and properties of general public, licencees & operators
- Improved environmental/social conditions for humans, animals and plants

4.4.2 Physical and Financial Progress

Approximately 95% of all activities have been completed by the end of 2017 while 85% of the budget has been disbursed by the end of year 2017. (Refer Table below)

	(LKR)
Total Budget for 2017	249,784,240.00
Total cash disbursement	212,427,993.00
Cash disbursement progress (%)	85%

Table No. 4.8: Physical and Financial Progress

I. Licensing

All players in the electricity industry are required to obtain a licence or an exemption from the PUCSL as per the Sri Lanka electricity Act no 28 of 2009. During 2017, 17 applications were received by PUCSL to obtain the generation licenses to generate electricity. 15 licenses were granted during the year 2017.

Year 2017	
Number of Issued Licenses	15
Number of Issued Exemption	24
Number applications reviewed and recommended for the Minister's concurrence	11

Table No. 4.9: Licensing and Exemption

Type of Application	No.
Dendro	01
Mini Hydro	09
Municipal Solid Wastage	02
Thermal	05

Table No. 4.10: Types of Applications

II. Long Term Generation Plan

PUCSL approved the least cost long term generation plan 2018 -2037 after considering the comments received in the written and oral public consultation. PUCSL stressed several times during the year 2017 that the timely implementation of the approved plan is crucial to avoid an electricity shortfall or procuring emergency power in the future.

III. Environment, Renewable & Efficiency

Study on Environmental Impact from the Lakvijaya Power Plant has been completed by the PUCSL appointed expert committee. Recommendations for mitigation of adverse environmental impact have been specified in the final report submitted by the committee on each area of pollution. CEB to compile and implement proper Environmental Impact Mitigation Action Plans with the consultation of relevant authorities. PUCSL and Provincial Environmental Authority-North Western Province will be monitoring the progress of the action plans.

IV. Electrical Safety

Implementation of National Standard for Plugs and sockets in Sri Lanka

Based on the recommendations made by the PUCSL, The Government decided to enact a single national standard for plugs and socket outlets in Sri Lanka. This National Standard came into effect and the prohibition of non standard importation & manufacturing was banned in 2017.

V. Electrocutation Mitigation Program

PUCSL as the safety regulator for the electricity industry, continued to implement various activities to ensure the safe use of electricity by different users. Accordingly, studies were carried out and number of educating programmes were held and also a Licensee incident reporting system (IRS) was developed.

- Enhancing the awareness level of consumers and children on the safe use of electricity.
- All Island electrical safety poster, essay and short film competitions.
- Conducted stalls at Exhibitions, Distributing safety materials (Posters, Leaflets, DVDs)
- Displaying electrical safety awareness advertisements on TV Screens at Public Places
- Conducting a mass scale campaign to promote the trip switch per each house in Sri Lanka

VI. Awareness program on accreditation of electricians

There are about 20,000 electricians in the country and most of them are not qualified enough to carry out safe electrical wirings. Hence, the PUCSL has decided to accredit the electricians in the country to enhance the quality of domestic electrical wirings. In line with the accreditation procedure the PUCSL conducted awareness programs for electricians and about 2200 electricians were made aware during 2017.

VII. Electricity Quality

PUCSL has conducted various studies, research and analysis in order to improve the quality of electricity as given below.

- Identification of root causes which influences on electricity distribution interruptions (SAIDI and SAIFI).
- Identification of root causes which influence on electricity transmission system interruptions (TSAIDI and TSAIFI).
- Prepared a guideline for managing Harmonic content in Commercial Installations.
- Research study on strengthening Regulatory Assessment on Transmission Asset Management.

VIII. Electricity Tariff & charges

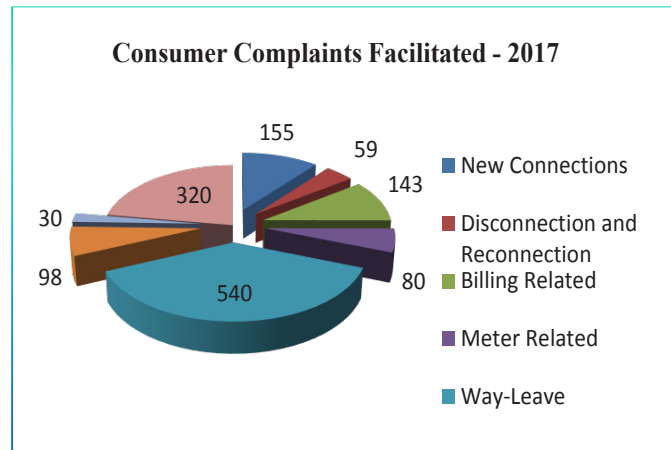
Ceylon Electricity Board submitted the Bulk Supply Tariff filing for the periods, April- September 2017 and October – December 2017. The filings were reviewed and Bulk Supply Tariffs were issued for the same periods.

PUCSL also published the decision on Uniform National Tariff Adjustments for the four quarters of 2017.

PUCSL extended the time based, ‘optional tariff’ for the single phase domestic consumers, which was earlier limited only to the consumers who have three phase connections and consuming 30A or above.

IX. Electricity Consumer

Details of the consumer complaints facilitated during the year 2017 are given below. A total of 1425 complaints was facilitated during the year 2017.



X. Guidelines

Following guidelines were issued,

- Guideline on Interruption to Electricity Supply
- Guideline on removing or shifting of pole or line
- Guideline on Change of Tariff Customer
- Guideline on Determination of Tariff Category
- Guideline on Security Deposit
- Guideline on Electricity Bill Payments
- Guideline on Disconnection & Reconnection

XI. Public Consultation and Stakeholder Engagement

PUCSL conducted two public consultations and stakeholder engagements in the view of getting the public participation in the decision making process.

- Consumer Rights Forum 2017
- Energy Forum 2018 on Energy Security
- Regulation of Electric Vehical Changing Stations Public Consultation
- Regulation of Solar PV Development in Sri Lanka Public Consultation

XII. Policy Changes

Regulation of Electric Vehicle Charging Stations

The Government instructed the legal draftsman to amend the legislation to the Sri Lanka Electricity Act, No. 20 of 2009, to enable PUCSL to fully regulate Electric Vehicle Changing Stations operation and it was decided to empower PUCSL to ;

- a) Establish a register of EVCS at each Distribution Licensee – CEB and LECO,
- b) Issue code of practice for EVCS,
- c) Determine end user tariffs,
- d) Issue safety and other technical standards for EVCS and
- e) Collect information on a regular basis for monitoring purposes

XIII. Regulation of Water Service Industry

The Cabinet gave the nod to draft the Water Service Industry Bill empowering the PUCSL to regulate the water services industry as Economic and Technical regulator and to prepare policy guidelines for the PUCSL and National Water Supply and Drainage Board (NWSDB) to perform regulator and operator functions respectively. Therefore, PUCSL commenced assisting The Ministry of City Planning and Water Supply and NWSDB to draft necessary legislation.

XIV. Information Dissemination

PUCSL disseminates the sector performance information mainly through its website. Regular updates on electricity Generation, transmission and distribution and Lubricant Market data and daily dispatch data on electricity generation are available in the public domain.

4.5 National Human Resources Development Council of Sri Lanka

4.5.1 Performance during the year 2017

During the year under review the National Human Resources Development Council of Sri Lanka; bearing the vision of “A work force future ready” has implemented the following projects and programmes during 2017, with view to provide an efficient and effective service on behalf of developing the human resource of Sri Lanka.

4.5.2 Project/Programs done during the Year 2017

Opening up to overseas skills. Revise current visa and immigration regimes to encourage attraction of foreign skilled workers. Incorporate mutually beneficial skilled migration programs with selected countries on industry and national needs.

- Implement the Competency framework through the Public Service Commission
- Conduct lecture series for public sector officers to build sector bench strength
- Release a Statistical Bulletin on Education Annually for the benefit of key stakeholders
- Awarded as an institute which is functioning in accordance with the ISO 9001:2008 international standard certificate
- Skilled workers for the technology sector. Partner with industry launch an accelerated training program to generate 1000 young people over 5 years in data science programs
- Put in place a strategy in consultation with key stakeholders to reorient returnees from the middle east
- Establish a stakeholder committee from industry and government work with the industry to implement recommendations of the committee once cleared by the CSC.
- Improve quality standards in TVET sector (tourism, manufacture, and construction & logistics) through NVQ system with collaboration of TVEC.
- Conduct a survey to identify strategies to redeploy three wheeler drivers into the industry
- Create learning and development opportunities for public sector staff by collaborating with foreign universities
- Handbook on Good Governance for Chairmen and Boards of Directors of Public Enterprises.
- Report on "New Ways of Working in the Public Sector"

Developing an HR strategy in planning and execution and building managerial competencies in the Public sector

There is no correct strategy for the selection of the right person for the right job in the government and semi-government sector and for their promotions. As a solution, our council has formulated a commonly accepted Competency Framework for the public sector, with the cooperation of a panel of experts, to build an efficient, effective and quality service among the employees. For the implementation of the CFW cabinet approval has been granted.

Lecture Series

A lecture series was held to empower the public sector officials to upgrade their knowledge and skills towards delivering efficient and effective service to the general public.

Name of Lecture	Number of Participants
1. Customer Care	185
2. Human Confidence	110
3. Top HR Trend	107
4. Enhancement of Accounting Skills of the Public Sector	122
5. Good Governance and Role of the Public Service	120
6. Cyber Security Talk	137
7. Introducing the Productive work Methods for Public Sector	55

Table No. 4.11: Lectures held in 2017

Put in place a strategy in consultation with key stakeholders to reorient returnees from the Middle East



Two Awareness Campaign was conducted Wattala and the next campaign held in Negombo.

The programme was design for career motivation, Vocational Training and strength the SMEs. Chamber of Commerce, District Secretariat, Department of Man Power, BOI, EFC and Sunday Observer, TVEC sector and other leading companies such as Tasma International, Aitken Spence, Heyles Pvt Ltd, MAS Holding, Leader Travels and Tours, Arpico (Pvt) Ltd, Sadaharitha Plantation and etc.

Establish a stakeholder committee from industry and government work with the industry to implement recommendations of the committee once cleared by the CSC.



Appointed a Task Force Strategic Action plane to increase female labor force participation

Prepared the Report and presented to the PM

Conducted a discussion forum on 2nd November 2017 at BMICH and workshop targeting Future Leaders, Business leaders with the objective to promote Women Entrepreneurship.

At the event the reports on “Road map to Increase Female Labor Force Participation” was launched.

Improve quality standards in TVET sector (tourism, manufacture, and construction & logistics) through NVQ system with collaboration of TVEC



- Established two tourism task force and analysis the industry expect ideas, suggestions and inputs.
- Developed the proposal with industries and TVEC and handover the Chairman of NHRDC.
- Report was handed over to the Ministry of Tourism Development and Christian Religious Affairs

Conduct a survey to identify strategies to redeploy three wheeler drivers into the industry



Conducted study in six district (Colombo, Gampaha, Badulla, Kurunegala, Rathnapura and Galle) with the support of NHRDC staff.

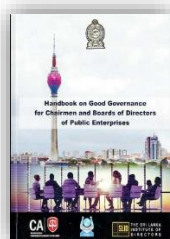
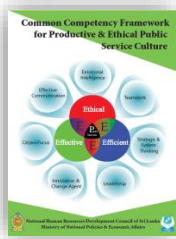
Drafted the final report and data presentation will be end of November 2017

Create learning and development opportunities for public sector staff by collaborating with foreign universities



8 programmes conducted at University Putra, Malaysia.

Publications



Highlights of Lecture Series



4.6 National Insurance Trust Fund

4.6.1 Scope and Performance Highlights

Profit before Tax (01.01.2017 -31.12.2017) = -LKR 1,000 million

The main reasons for the decrease of Profit before Tax against 2016 are,

1. Due to the drought situations in 2017, total claim amount was LKR 1,883 million was charged to the Agricultural Insurance Schemes. These types of claims were not reported in 2016.
2. Due to the flood and land slide situations affected Island wide in 2017, total claim amount was LKR 2,450 million was charged to the National Natural Disaster Insurance Scheme.
3. NITF has contributed LKR 1,500 million to the Consolidated Funds.

1. Medical Insurance Scheme for Public Officers (Agrahara)

The Medical Insurance scheme which was established in 1997 for the benefit of government officers is known as Agrahara Health Insurance scheme. However with the privatization of Sri Lanka Insurance Corporation, the Government took over the scheme with effect from 1st January 2006 and implements it as a separate Government scheme under the National Insurance Trust Fund.

Accordingly all the Government servants who are pensionable with their family members are insured with this insurance scheme.

Agrahara Insurance Scheme has been enhanced with more benefits and Agrahara Gold Insurance Scheme and Agrahara Silver Insurance Scheme have been commenced.

In addition to that during the last quarter of 2017, budget proposal has been forwarded to the national budget of Ministry of Finance for Agrahara Rakawarana Pensioners' Insurance Scheme to provide protection to Government Servant (2016) Pensioners for their whole life time.

Currently, steps were taken to implement Agrahara Insurance schemes into semi government sector institutions successfully.

2. Strike, Riot & Civil Commotion & Terrorism Fund (SRCC&T F)

The SRCC&T Fund was established in 1987 in terms of a decision made by the Cabinet of Ministers. With incorporation of NITF all funds lying to the credit of the SRCC&T Fund was taken into to the NITF. Eventually, the money was transferred to a special account maintained by NITF and this scheme is currently under the management of NITF.

SRCC&T F was established to insure losses occurring to assets, deaths and injuries occurring to individuals due to Strike, Riot, Civil Commotion and Terrorism risks. The Strike, Riot, Civil Commotion and Terrorism risks are underwritten by general insurance companies and those premium related to Strike, Riot, Civil Commotion and Terrorism will be remitted to NITF.

Claims intimated to general insurance companies with regard to Strike, Riot, Civil Commotion and Terrorism risks are discussed at the Working Committee meeting monthly and decisions are taken in relation to payment of claims.

Also NITF obtained Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism risks by obtaining reinsurance cover through Crescent Global UK Ltd. Reinsurance broker with the leader Chaucer Syndicate Re.

3. Re-insurance

NITF is the reinsurer to the nation. NITF commenced accepting 30% reinsurance risk in Sri Lanka in 2008. Pursuant to the provision of NITF Act, it is mandatory for General Insurance Companies in Sri Lanka to obtain 30% of the total sum of reinsurance business.

In 2017 the management of NITF took initiatives to obtain reinsurance in order to obtain reinsurance covers to face the risk of possible escalation of claims.

NITF procured the retrocession cover to protect 30% compulsory liability arising out of general insurance through Crescent Global UK Ltd. Reinsurance broker with the leader Renaissance Re.

4. General Insurance - Motor Vehicle Insurance Scheme

Motor vehicles owned by Government institutions and Semi-government institutions are insured against any risk of loss or damages. This scheme has been extended to private vehicles as well. Currently under “Agrahara” motor insurance scheme is introduced to private vehicles of Government and Semi Government servants.

5. General Insurance - Non Motor Insurance Scheme

Pursuant to the gazette notification No. 1615/20 issued on 20.08.2009 NITF has been given a mandate to provide Fire Insurance policies, Marine Insurance policies, Workers Compensation Insurance policies and Miscellaneous Insurance policies under the General Insurance Business. Currently, NITF aims to serve the needs of Government institutions which require these covers.

6. Agricultural Loan Protection Insurance Scheme and Crop Insurance Scheme

Most farmers obtain credit from banks & finance institutions that are engaged in the provision of Agricultural credit. In the event of the crops being damaged due to drought, floods or elephant attacks the lending institutions are unable to recover a significant installments of their loans outstanding. Hence this insurance scheme has been developed to give protection for them.

Under the crop insurance scheme, NITF provide insurance covers paddy crops affected by drought, floods and elephant attacks.

Crop insurance scheme is financed by 1% of Profit after tax of financial institutions of Sri Lanka including banks, financial companies and insurance companies.

7. National Natural Disaster Insurance Scheme

This insurance scheme provide blanket coverage for lives and uninsured properties, specifically all households and small business establishments (any business of which annual turnover does not exceed Rs. 10 M). cyclone, storm, tempest, flood, landslide, hurricane, earthquake, Tsunami, falling trees due to heavy winds, collapse of retaining walls and any other similar natural perils excluding drought and upto the aggregate limit of Rs. 12.5 billion per annum. Property damage for businesses and those having insured with an insurance company are excluded.

All fishermen registered under Department of Fisheries will be covered to the value of Rs. 1 Million each in respect of accidental death whilst engaged in fishing. An accidental death cover for all other victims of natural disasters will be paid Rs. 100, 000 each under the personal Accidental Insurance policy.

Annual limit for emergency relief expenses will be Rs 2.5 billion. Annual limit for structural damages to property and content in respect of households and small business establishments (structural damages) is Rs. 12.5 billion.

NITF obtained Reinsurance cover for Natural Disaster insurance scheme handled by Micro Insurance Department. Under this reinsurance arrangement cover for uninsured properties through the Reinsurance Broker, Strategic Insurance Brokers with the Reinsurance leader Renaissance Re.

National Insurance Trust Fund
Progress Review - Organizational Results Framework -2017

No	Description of Result	Key Performance Indicator	Annual Targets / Actual (T/A)					
			2017					
			Q1	Q2	Q3	Q4		
Outcomes								
1	Improved Customer Satisfaction	1.Customer Growth Rate (Percentage) per Quarter for Non- Motor Insurance Sector	T	75%	75%	75%	75%	
			A	59%	82.9%	876%	23%	
		2.Percentage Customer Retention per quarter for Motor Insurance Sector	T	80%	80%	80%	80%	
			A	76%	71%	73%	81%	
2	Improved Financial Performance	2.1.Value of Premium Collected During Quarter (Net Earned Premium = Rs. 11,980 Mn pA)	T	2,995Mn	2,995Mn	2,995Mn	2,995Mn	
			A	2,264 Mn	3,123 Mn	3,318 Mn	2,727 Mn	
		2.2.Agrahara Member Contributions Collected Per Quarter (Rs.2,529 Mn pA)	T	497Mn	553Mn	668Mn	811Mn	
			A	480.51 Mn	484 Mn	590.5 Mn	667 Mn	
		2.3.Agrahara Treasury Contribution Per Quarter (Rs.550 Mn pA)	T	137.5 Mn	137.5 Mn	137.5 Mn	137.5 Mn	
			A	150 Mn	-	212 Mn	138 Mn	
					2017-Q1	2017-Q2	2017-Q3	2017-Q4
		2.4 Non Motor Health Insurance Premium Collected Per Quarter (Rs.140 Mn pA)	T	35Mn	35Mn	35Mn	35Mn	
			A	15.05 Mn	4.29 Mn	191 Mn	82 Mn	
		2.5.Motor Insurance Premium Collected Per Quarter (Rs.600 Mn pA)	T	150Mn	150Mn	150Mn	150Mn	
			A	175.16 Mn	100.72 Mn	92.2 Mn	42 Mn	
		2.6.Non Motor Insurance (Excluding Health) Premium Collected Per Quarter(Rs.60 Mn pA)	T	15Mn	15Mn	15Mn	15Mn	
			A	5.99 Mn	7.04 Mn	45 Mn	114 Mn	
		2.7. Monetary Value Of Premium of SRCC and T Fund Collected from Insurance Companies (Rs.3,876 Mn pA)	T	1293Mn	1191Mn	590Mn	803Mn	
			A	762 Mn	950 Mn	1026 Mn	1255 Mn	
		2.8. Value of Reinsurance Premium Collected During Quarter (Rs.2882 Mn pA)	T	637Mn	691Mn	874Mn	680Mn	
			A	1091 Mn	707 Mn	639 Mn	1246 Mn	
		2.9 Value of Crop Insurance Levy Collected (Rs.1738 Mn pA)	T	434.5Mn	434.5Mn	434.5Mn	434.5Mn	
			A	390.9 Mn	370 Mn	523.7 Mn	594.5 Mn	
		2.10 Value of Gross Written Premium Of National Natural Disaster Scheme (Rs 500 Mn pA)	T	125Mn	125Mn	125Mn	125Mn	
			A	-	500 Mn	-	-	
		2.11.Value of Gross Claims Paid During Quarter(Rs.6504 Mn pA)	T	1626Mn	1626Mn	1626Mn	1626Mn	
			A	823.7 MN	5,284 Mn	1,313 Mn	2603.3 Mn	
		2.12.Value of Investment & Other Income During Quarter (Rs.928 Mn pA)	T	232Mn	232Mn	232Mn	232Mn	
			A	320.6 Mn	336.7 Mn	244 Mn	221 Mn	
		2.13. Gross Profit (PBT) Per Quarter (Rs.4,832Mn pA)	T	1208Mn	1208Mn	1208Mn	1208Mn	
			A	1171 Mn	(2867 Mn)	1326 Mn	1370 Mn	

Table No. 4.12: Organizational Results Framework -2017

4.7 Securities and Exchange Commission of Sri Lanka (SEC)

4.7.1 Regulation

Proposed amendments to the SEC Act

The Securities Exchange Bill was finalized by the Advisory Committee and obtained the approval of the Cabinet of Ministers in March 2017. It was then forwarded to the Legal Draftsman for formalization. Upon the finalization of the drafting by the Legal draftsman, the Attorney General granted the certificate of conformity with the constitution. In November 2017 the draft Bill was published in the gazette and in the month of December it was placed on the order paper of the Parliament.

New Take-overs and Mergers Code

Further amendments were made to the draft of the new Take-overs and Mergers Code, taking into consideration of the recent amendments proposed to the London Takeovers Code.

Administration of the Takeovers and Mergers Code

Administered 9 mandatory offers and 2 voluntary offers in respect of listed companies.

Review of Listing Rules of the CSE

Several Listing Rules and Stock Broker Rules were reviewed during the year under review.

Regulatory interventions to protect the interests of investors

The following regulatory actions were performed in pursuance of the objectives of the SEC to protect the interests of investors and the creation and the maintenance of a level playing field in the Market.

Directive issued under Section 13 (c) and Section 13 (p) of the SEC Act No. 36 of 1987 (as amended) to the Colombo Stock Exchange and all licensed Stock Brokers and Stock Dealer firms trading in equity or debt securities

The SEC directed the CSE to inform stock brokers and stock dealers trading in equity and/or debt securities to fulfil and maintain a minimum requirement of shareholder funds to strengthen the financial position of such brokers and dealers irrespective of losses sustained in the past as part of a risk assessment framework.

Therefore all licensed stock brokers and/or stock dealer firms trading in equity and/or debt securities were directed to maintain a minimum shareholder's fund requirement of Rs. 100 million or 50% of the firm's stated capital, whichever is higher.

Directive issued under Section 13 (c) of the SEC Act No. 36 of 1987 (as amended) to all Managing Companies and Trustees of Unit Trusts

The SEC issued guidelines on the contents of unit trust advertisements and promotional material to be followed by all managing companies of unit trusts. All trustees of unit trusts were directed to ensure that the guidelines are complied with by managing companies of unit trusts when granting approval in terms of rule 18(6) of the Unit Trust Code when marketing unit trusts to the public.

Directive issued under Section 13 (c) of the SEC Act No. 36 of 1987 (as amended) to the Colombo Stock Exchange (CSE)/Central Depository Systems (Pvt) Ltd (CDS) and all licensed Stock Brokers and/or Stock Dealers of the Colombo Stock Exchange trading or dealing in Equity Securities

The SEC having considered a request from the CSE, SEC directed to the CSE/CDS to revise the share transaction fees of the CSE and CDS as mentioned in the aforesaid directive and all licensed Stock Brokers and Stock Dealers trading in equity securities were directed to ensure compliance with the fee structure as depicted in the table appearing in the Annexure to the directive when paying the CSE and CDS fees in respect of all share transactions with effect from with effect from 15th March 2017. The Gazette Notification required under subsection (1) of Section 14A of the SEC Act in this regard has been issued.

Directive issued in terms of Section 13(c) of the SEC Act (as amended) to the Colombo Stock Exchange relating to all licensed Stock Brokers relating to the revised procedure to be enforced on Stock Broking companies trading in equity and debt securities that have failed to ensure compliance with the risk based capital adequacy requirements (CAR)

The SEC approved the revision of the enforcement procedure to be applicable to Stock Broking companies that have failed to ensure compliance with the Risk Based Capital Adequacy Requirements in order to provide information on the impending regulatory action on then defaulting Stock Broking companies to the clients; prior to imposing a prohibition on all trading activities of the defaulting company.

Directive issued in terms of Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987 (as amended)

The SEC having deliberated on the adequacy of the current Listing Rules of the CSE relating to the enforcement procedures applicable to listed public companies, decided to adopt a more stringent policy of enforcement and approved the Rules made by the CSE with the view of ensuring effective enforcement of its decisions.

The CSE was directed to incorporate enforcement procedure contained in the aforesaid Rules named as 'Enforcement Compliance Rules 2017' with effect from 1st January 2018.

Granting approvals to Country, Regional and Global Funds

During the year 2017, the SEC approved 152 global, regional and country funds to invest in listed securities in Sri Lanka and noted 40 name changes.

Waivers in terms of Rule 5.4 (b) of the Listing Rules of the CSE

The SEC processes applications for the grant of waivers to Public Listed Companies seeking to issue shares by private placements which exceed 20% of the shares in issue immediately subsequent to such issue of shares. During the year under review, two 5.4 (b) waivers were granted. Whilst one waiver was for group restructure the other was for the restructure of the balance sheet.

Monitoring the maintenance of a minimum public holding as a continuous listing requirement

The SEC issued a Directive in terms of section 13(c) and 13(cc) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) in respect of the revision of rules on minimum public holding applicable to all listed public companies and introduced revised threshold requirements; taking into consideration a float adjusted market capitalization for Main Board companies and Diri Savi Board companies. The companies have been granted time until 30th June 2017 to comply with the revised threshold and enforcement procedures for non-compliance with the above said rules are under consideration.

Enforcement Action:

Matters referred to the Honourable Attorney General

An opinion sought for legal interpretation in relation to an investigation and another opinion sought regarding a preliminary inquiry conducted by the SEC were pending.

The SEC has referred three matters to the Honourable Attorney General for necessary action to institute court proceedings. Proceedings in the Fort Magistrates' Court has been instituted in respect of one matter

Litigation

- i. Magpek Exports (Private) Limited vs. SEC - HCMCA 217/2007 – pending in Court
- ii. K.C. Vignarajah vs. Standard Chemicals PLC and Others -CHC/CO/09/2016 – pending in Court
- iii. Talib Tawfiq Al Nakib vs. CSE and the SEC - DSP 20/16 – case dismissed.
- iv. Minu Manoo Melvani vs. Securities and Exchange Commission of Sri Lanka and Others CA Writ Application 340/2016 – case withdrawn by the Petitioner
- v. Entrust Capital Markets (Private) Limited vs. SEC - CA/MISC/2/2016 – case withdrawn by the Petitioner
- vi. SEC vs. M. B. Nizar and M. I. Samsudeen - MC S/5322/17 – pending in Court
- vii. SEC vs. Miramar Beach Hotels PLC and others MC - S/72082/2010 & S/72083/2010
The Colombo Fort Magistrates' Court fined a Public Listed Company and its Board of Directors Rs. 1.3 million for the non-submission of Annual Reports for the financial years ended 2008 and 2009 to the CSE in a timely manner, in terms of the SEC Rules and the Listing Rules of the CSE. The Court granted permission to the company to pay the fine in instalments of Rs. 75,000 and Rs. 50,000 for each case.

The company and its Board of Directors pleaded guilty to the charges filed by the SEC. The Court acting in terms of Section 306 of the Criminal Procedure Code discharged the accused Directors subject to the conditions that if the company fails to pay the instalments as given by Court; the Directors would have to undergo a rigorous imprisonment of six months for each failure. The accused Directors were also further fined a sum of Rs.1500/= per case as State costs with one month simple imprisonment in case of for the failure to pay such sum.

- viii Talib Tawfiq Al Nakib vs. CSE and the SEC WP/HCCA/LA/158/2017-pending in Court
- IX Sena Yaddheg V SEC CA/Writ 417/2017-pending in Court

4.7.2 Licensing/Registration and Supervision of Market Participants

Details of licensing/registration of market participants and on-site examinations and off-site reviews in respect of Stock Broking Companies and other Market Intermediaries during the period of 1st January 2017 to 31st December 2017 are stated below.

	Total no. of on-site visits	Total no. of off-site reviews	Renewals	New License
Stock Brokers & Debt Broker	19	648*	33	1
Stock Dealers & Debt Dealer	-	-**	8	-
Margin Providers	16	364	28	-
Investment Managers	13	325	26	1
Credit Rating Agencies	2	8	2	-
Underwriters	-	45	8	1
Clearing House	-	1	1	-
Unit Trusts Funds	26	936	-	3***
Unit Trust Managing Companies	7	168	-	-
	83	2,495	106	6

Table No.4.13:Licensing/Registration and Supervision of Market Participants

* Monthly Statements & Compliance Reports

** Financial information pertaining to Stock/debt dealer is also included in the monthly statements obtained for stock/debt brokers. That information is reviewed together with stock/debt broker information.

***Three new registrations were granted. However, one intermediary did not utilise the license. Therefore the license has automatically lapsed within 06 months.

Summary of Compliance Reviews and Approvals-2017

Description	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Review of disclosed Financials commenced	29	24	30	28	111
Letter of comments sent based on reviews	27	15	8	07	57
Capital Market related complaints resolved	11	06	09	10	36
Review of fund raising via capital market proposals	10	05	05	06	26
Review/Approvals of private placements under Section 5.4	-	01	-	01	02
Review of TOM code valuation reports	02	03	01	05	11
Off the floor transfer approvals	180	121	143	256	700
Review/Approvals under Section 29 (A) ¹	02	-	01	01	04
Review/Approvals under Section 28 (A) ²	-	-	-	01	01
Review of valuation of de-listing application	-	-	-	-	-

Table No.4.14: Summary of Compliance Reviews and Approvals-2017

Investigations

As of end December 2017, the Division is in the process of compiling Reports of three (03) investigations out of which one (01) investigation was previously concluded and re-opened during 2016. Amongst the other on-going investigations, two (02) investigations, including one (01) investigation connected with trades in 2011, are successfully progressing at the final stages. All other investigations are at different stages of the investigations process.

Surveillance

The SEC streamlined and enhanced surveillance measures and processes and attempted to detect market abuses/adverse situations and pursue appropriate proactive action to minimise potential negative impact on the market. In line with this enhanced surveillance policy the SEC having analysed certain abnormal market behaviour and unusual trading patterns of certain brokers/traders/investors immediately contacted the relevant brokers/traders for clarifications and informed them that their trading patterns were under observations. In the event we envisaged that these transactions warrant further action, we conducted a comprehensive analysis and submitted a report to the Surveillance and Investigations Committee and the Committee decided on the next course of action. During the year 2017, 14 referrals were submitted to the Committee. Analytical reports were submitted to other Government agencies upon their request.

Professional Programmes and Examinations

The SEC plays an important role in nurturing a pool of competent and knowledgeable market professionals by delivering licensing examinations, financial literacy programmes for various audiences as well as continuous learning opportunities for professionals in the securities industry.

During the period under review the SEC engaged in a comprehensive review and revision of the Qualification Framework (QF) which was formulated and implemented for capital market professionals in 2008. The revised QF will contribute immensely towards developing the competencies in equity securities, debt securities, mutual funds and other financial instruments capacity building in the present context of the Sri Lanka's capital market.

Programme Name	Number of Programmes	Number of Students Registered for the Programme	Number of Examinations Conducted
Diploma in Capital Markets Programme (DCM)	02	35	10
Certificate in Capital Markets Programme (CCM)	03	73	15
Registered Investment Advisor Licensing Programme (RIA)	-	05	20
Advance Program in Investing (API)	01	26	-
Programme in Investing (PI)	03	117	-
Continuous Professional Development Programme (CPD)	07	856	-
Gold Medal & Cash Award Project	Six universities were awarded with gold medals and cash prizes during the year under review		
Capital Market Information Centre (CMIC)	Established and launched a CMIC at the Wayamba, Jaffna, Peradeniya, Sabaragamuwa and Vavuniya Universities of Sri Lanka		

Table No.4.15: Professional Programme and Examinations

Investor Awareness Initiatives

Isura Television Series

The SEC in association with Sirasa TV conducted a television series on the capital market from 23rd October 2016 to 19th February 2017 titled “Isura” on Sundays from 11 a.m. to 12 noon. The series comprised of 18 episodes and eminent professionals from the securities and the financial industry discussed topics including basics of investing in the stock market, investing in unit trusts, rules and regulations and protecting the interest of investors. The series received approximately 40,000 responses to the weekly quiz that was posed to viewers.

Newspaper Publications

During the year the SEC published over 200 articles on investing in the capital market in newspapers. This includes a weekly article series with Daily Mirror and Ada. In 2017 the SEC commenced another weekly article series with Tamil Mirror.

Investor Education Programmes

We initiated financial literacy programmes for the following segments of society.

Type of Programme	Number of Programmes
NIE Teacher Training Programmes	16
School Seminars (A/L Students)	27
Undergraduates and Advanced Technical Colleges	10
Large scale investor seminars	09
Exhibitions	01

Table No.4.16: Investor Education Programmes

Investor Forums

The Securities and Exchange Commission of Sri Lanka (SEC) and the Colombo Stock Exchange (CSE) commenced a series of Investor Forums titled "kotas welenda pola: nagarayen nagarayate" (with a view to showcasing the benefits of investing in the capital market to the general public. Seminars were held in Negombo, Colombo (English medium), Jaffna, Kandy, Galle and Colombo (Sinhala medium) and these forums generated an overwhelming response.

Annual Meeting and Conference of the IOSCO Growth and Emerging Markets (GEM) Committee and Asia-Pacific Regional Committee (APRC)

The SEC was successful in its bid to host the 2017 GEM Annual Meeting and Conference from 20th to 21st September 2017 in Colombo along with the APRC meeting back to back from 18th to 19th September 2017. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. The GEM conference attracted more than 300 participants from 50 jurisdictions whilst the APRC attracted 75 participants. The Prime Minister of Sri Lanka, Ranil Wickremesinghe, delivered the keynote address at the GEM Conference.

Investor Education Brochures

With a view to enable investors to make informed investor decisions, the SEC published 8 investor education brochures in Sinhala and English. The brochures which gives basic knowledge and skills to invest will be distributed among all segments of society.

Capital Market Development

Facilitate the demutualisation of the Colombo Stock Exchange (CSE)

- The draft Demutualisation Bill was redrafted by the SEC with the consultants appointed for the initiative under the Capital Market Development Programme (CMDP) by the Asian Development Bank
- The SEC forwarded the policy underlining the draft Demutualisation Bill for the approval of the Cabinet and the same was approved by the Cabinet on 12th September 2017. Subsequently, the Bill was forwarded to the Legal Draftsman (LD) for drafting
- The LD completed drafting of the Bill and forwarded the Bill to the Attorney General (AG) for the review of constitutional conformity
- Relevant SEC staff and the national expert commissioned by the ADB for the initiative held several discussions with the AG and LD regarding the AG's concerns on certain provisions of the Bill. All AG's concerns were clarified and accordingly, amendments were proposed to the relevant provisions in the Bill by the SEC
- The LD amended the Bill accordingly and resubmitted the Bill to the AG for the issuance of the certificate on constitutional conformity

a) Facilitate the implementation of a Central Counter Party (CCP) Mechanism

- A series of consultative meetings have been conducted between the SEC and CSE project teams regarding the proposed business and operational specifications of the phased implementation of a CCP mechanism.
- The CSE forwarded the proposed business and operational specifications for Delivery vs Payment (DvP) and margining for the review and approval of the SEC
- Upon reviewing the proposed model in line with international best practices and similar models operational in other countries, SEC proposed several improvements to both the proposed margining model and settlement model in view of providing adequate cover for post trade risk through margins

- Accordingly, the CSE made refinements to the business and operational specifications of the model rectifying the deficiency in the exposure cover
 - Further model specifications were refined in order to set out the business model to initiate stakeholder consultation (both stockbrokers and custodians) in 1Q2018
 - Refinements were made to the draft policies for short selling and stock borrowing and lending in order to frame a comprehensive stakeholder consultation in upcoming 1Q2018, taking into consideration more recent regulatory benchmarks/developments in this sphere
- b) Facilitate the implementation of a Broker Back Office (BBO) & Order Management System (OMS)**
- The joint Audit Committee comprising Members from both SEC and CSE conducted compliance audits on all Stock Broking Firms to assess system compatibility with Request for Proposal (RFP) requirements. The final audit report was completed by the Audit Committee
- c) Take necessary measures to ensure readiness of the local market including the frontline regulator for the European Securities Markets Regulations including Markets in Financial Instruments Directive II (MiFID II), Markets in Financial Instruments Regulation (MiFIR), and Benchmarks Regulation (BMR) which is effective from January 2018**
- Collaborated with other divisions within the Secretariat to provide guidance on impact areas of the European Securities Markets Regulation and discussed the way forward with respect to securing compliance
 - Collaborated regional Commission bodies such as European Securities Markets Authority (ESMA) and ASIFMA to analyse the extraterritorial impacts of the European Securities Markets Regulations
 - Identified broad application of the above regulations to the local capital market and took steps to address the same including providing interpretative guidance and instructing on necessary actions to key stakeholder groups:
 - a. Instructed the CSE to:
 - Determine the compliance of its indices – the ASPI and S&P SL20 against IOSCO Principles for Financial Benchmarks
 - Survey CSE Members and Trading Members
 - b. Reviewed the benchmark compliance and instructed the CSE regarding compliance during the transitional phase
 - Provided updates on the same to the Commission and proceeded to frame a gap analysis in this regard
 - Framed a survey and readiness checklist assess the stockbroker operational gap intending to move into industry consultation during 1Q2018.
- d) Provide guidance to facilitate the issuances of BASEL III compliant subordinated Debentures (Debentures) by Licensed Commercial Banks and Licensed Specialised Banks**
- Detailed analysis of cross jurisdictional policies applicable to BASELIII instruments in view of definition of complexity, appropriateness testing/distribution restrictions, concentration risks, nomenclature, disclosure, statutory/contractual obligations was carried out to support the formulation of an interim policy for the listing and public offer of BASEL III compliant instruments
 - Interpretation of the Loss Absorbency Proposal to support SEC’s representation to the CBSL in view of Tier 2 Non-Viability Write -off instruments

- Formulated the policy for the listing of these Debentures on the CSE and rules to accommodate the interim-listing process until such time that comprehensive rules specific to the said Debentures are formulated

Collaborated with all stakeholders including the prudential regulator, the Central Bank of Sri Lanka (CBSL), the issuers and the CSE to formulate rules for the issue of the Debentures

- Provided guidance to the CSE on the formulation of rules for the listing of multi-currency debt instruments and related eligibility criteria

e) Formulate policy for a Performance Management System as per international best practices for the same

- A survey was carried out during August 2017 in order to assess the staff's responses in relation to implementing a PMS at the Secretariat. As per the survey results, a policy on the same was formulated including the comments of the international Consultant invited by the Secretariat.

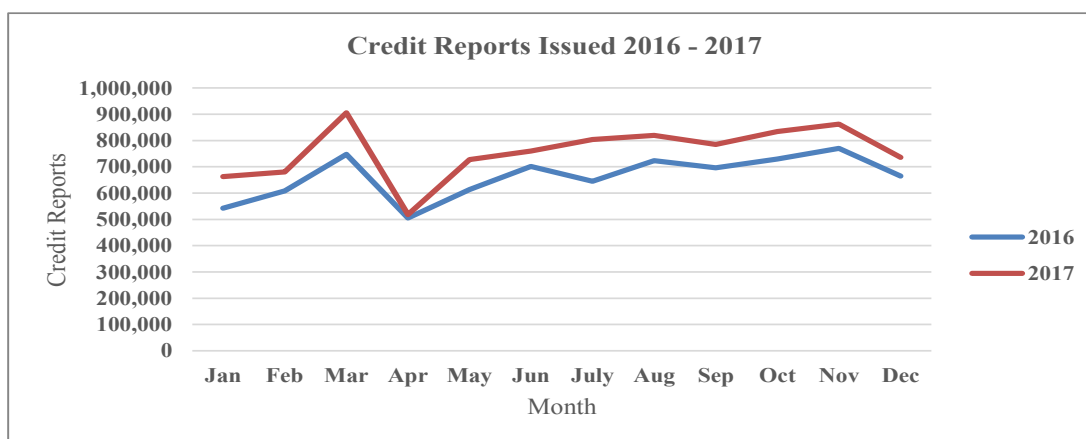
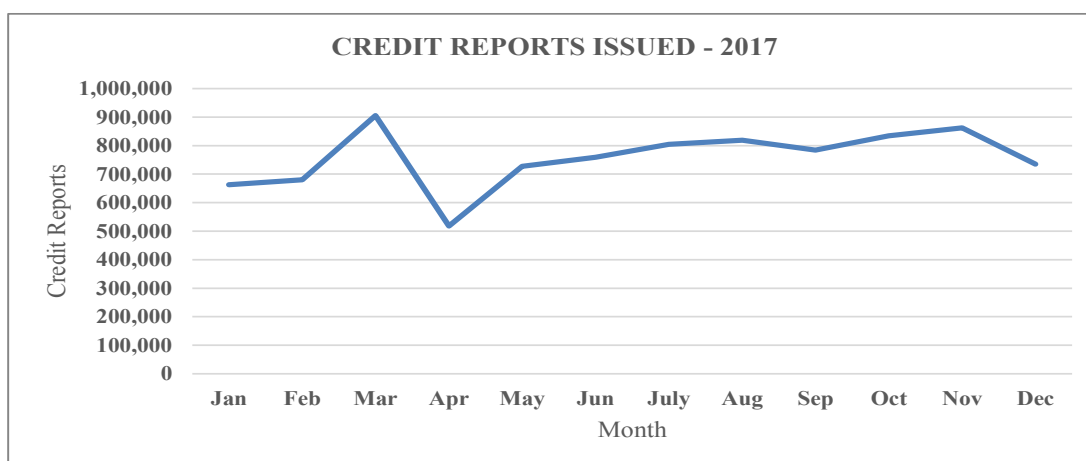
f) Needs Based initiatives

- Formulated a capital market risk presentation for the Financial Services Sector Coordinating Council on Macro-prudential Surveillance
- Provided content to be included in the 'capital markets' section of the Government's 'Vision 2025' document
- As per the request by the Ministry of Power & Renewable Energy, conducted calculations and provided values for:
 - Renewable Energy Sector Beta Factor (β)
 - The Average Renewable Energy Sector Return (R)

4.8 Credit Information Bureau of Sri Lanka

Month	Year	
	2016	2017
Jan	542,216	662,889
Feb	608,460	680,243
Mar	747,804	905,339
Apr	505,259	518,143
May	613,899	727,199
Jun	701,435	759,703
July	644,807	804,103
Aug	723,556	819,454
Sep	696,537	784,505
Oct	729,901	834,279
Nov	770,061	861,868
Dec	665,032	735,373
Total	7,948,967	9,093,098

Table No. 4.18: No. of Credit Reports issued in 2017



4.9 Institute of Policy Studies of Sri Lanka (IPS)

4.9.1 Financial Performance as of 31st December 2017

	Budget For the year	Actuals For the year	Variance (Budget - Actuals)	%
	Rs.	Rs.	Rs.	
Revenue				
Contribution from the Government of Sri Lanka	15,000,000	13,750,000	(1,250,000)	-8%
Project Income	38,000,000	53,236,088	15,236,088	40%
Income from IDRC TTI	23,000,000	25,986,931	2,986,931	13%
Interest Income	33,679,104	36,017,937	2,338,833	7%
Income from Seminar/Workshops	900,000	3,760,013	2,860,013	318%
Miscellaneous Income (Publications/Other Income)	800,000	679,086	(120,914)	-15%
Income from amortization of capital grant	10,200,000	8,580,945	(1,619,055)	-16%
Income from Renting out of Auditorium	900,000	1,737,581	837,581	93%
Profit On Disposal		41,000	41,000	
Exchange Gain	-	240,927	240,927	-
Total Revenue	122,479,104	144,030,508	(21,551,404)	
Expenses				
Employee Benefit Cost	57,500,000	62,440,591	4,940,591	9%
Depreciation on Property, Plant and Equipment	15,000,000	11,827,882	(3,172,118)	-21%
Research Cost	21,000,000	26,944,861	5,944,861	28%
Seminar and Workshop Cost	630,000	1,207,272	577,272	92%
Utility Expenditure	17,417,858	16,255,686	(1,162,172)	-7%
Travelling Expenses	608,538	457,437	(151,101)	-25%
Other Operating Expenses	8,417,016	9,485,173	1,068,157	13%
Hire of Auditorium	360,000	727,825	367,825	102%
Exchange loss	-	-	-	
Total Expenses	120,933,412	129,346,727	8,413,315	
Surplus	1,545,692	14,683,781	(13,138,089)	

Table No. 4.19: Financial Performance

4.9.2 Research Activities

Policy Reforms & Competitiveness

- Doing Good Index
- Distribution of VAT - 2016 Across Population
- Study on Economic and Technology Co-operation Agreement (ETCA) with India
- Study on Trade and Investment Potential in Vietnam & Malaysia
- A Preliminary Study on the Benefits of Proposed Trading Agreements between Sri Lanka and Indonesia
- A Preliminary Study on the Benefits of Proposed Strategic Partnership between Sri Lanka and Thailand
- Support for South Asia Regional Economic Cooperation: Sri Lanka's Macroeconomic Performance, 2006-2016
- I-O Tables Indirect Tax Effects - Applied IO Price Shocks to HIES Data to Calculate the Indirect Effects
- Barriers for SMEs to Export at Regional and International Level

Migration & Urbanization

- Profile of Urban and Rural Population in Sri Lanka: Alternative Estimates
- Research & Empirical Analysis of Labour Migration (REALM)
- Global Compact on Migration
- Recruitment intermediaries in the foreign employment industry- Sri Lanka

Human Resources for Sustained Development

- Labour Market Analysis



- Study on Skills and Higher Education in Sri Lanka
- Developing Economic Research to Support Priority Economic and Social Goals - Sri Lanka
- School Characteristics and Student Performance in Sri Lanka

- The Challenge of Providing Good Quality Teachers for All Class Rooms in Sri Lanka
- Worker's adjustments to trade shocks in Sri Lanka
- Sri Lankan Girls and Young Women's Economic and Social Empowerment for Leadership

Private Sector Development

- Global Competitiveness Report 2016/2017
- The Policy Environment and its Impacts on FDI Flows: Evidence from Sri Lanka

Poverty & Vulnerability

- Country Diagnostic on mutual micro insurance in Sri Lanka
- Employment, Living Conditions and Welfare of the Ageing Population in Sri Lanka

Environment, Natural Resources & Agriculture

- Analysis of Spice Value Chain in Sri Lanka Focusing on Cinnamon, Pepper and Cardamom
- National Strategic Review of Food Security and Nutrition: Towards Zero Hunger
- Bridging the Climate Information and Communication Gap for Effective Adaptation Decisions: An Integrated Climate Information Management System
- Climate change adaptation and disaster risk management in Sri Lanka
- Mainstreaming and Integrating Climate Change into Urban related Policies in Sri Lanka
- Economic Analysis Services in Support of the Proposed Transport and Land Investments in Sri Lanka

4.9.4 IPS Main Activities from 1st Jan – 31st Dec 2017



International Conference on “**Human Capital, Food Security and Economic Development in South Asia**” organized by IPS in collaboration with the Centre of Development Economics and Sustainability (CDES), and the South Asia Research Network (SARN), Monash University, Australia, Hotel Galadari, Colombo, 11 and 12 January.



Workshop on “**Climate Insurance for Dry Zone Farmers in Sri Lanka**” organized by IPS to disseminate the findings of a study, IPS Auditorium, 24 January. IPS conducted training on “**Value Chain Analysis (VCA)**” as part of the Japan International Cooperation Agency (JICA) and IPS Value Chains Study on the Spice Industry in Sri Lanka, IPS, 13 March.

World Consumer Rights Day Forum on the theme “**Consumer Rights in the Digital Age**” to mark the World Consumer Rights Day IPS Auditorium, 15 March.

Dissemination Seminar on “**Cinnamon, Pepper and Cardamom Value Chains Study**”, as part of the Japan International Cooperation Agency (JICA) and IPS project, IPS Auditorium, 20 March.

Roundtable Discussion on “**Land Use Policy in Sri Lanka**”, organized by IPS to assist Millennium Challenge Corporation (MCC) to identify issues faced by investors with regard to access to commercially-viable land, IPS Auditorium, 31 March.

Workshop on “**Emerging Food Safety and Quality Risks in South Asia: Challenges and Opportunities for Sri Lanka**”, organized by the Ministry of Primary Industries (MPI) and IPS in collaboration with the International Food Policy Research Institute (IFPRI), Water's Edge, Battaramulla, 8 and 9 May.

Policy Dialogue on the “**ESCAP Economic and Social Survey for Asia Pacific 2017**”, IPS, 8 May.

A group of undergraduate students from the University of Wollongong, Australia who are conducting research on various aspects of the Sri Lankan economy, including the manufacturing sector, banking and finance sector, and trade agreements, visited IPS on 10 July.



Stakeholder validation workshop on “**Living Wage for the Estate Sector of Sri Lanka: Is it Sufficient?**”, organized by IPS, Global Living Wage Coalition (GLWC), and Fairtrade International (FLO), IPS Auditorium, 24 August.

Workshop on “**Export Promotion and Market Access for Agriculture and Food Products in Major Global Markets**”, organized by the IPS in collaboration with the SAARC Agriculture Centre (SAC), Renuka City Hotel, Colombo, 19 to 21 September.



“**The fifth ADB-ATTN Development Forum 2017 on ‘Financing for Sustainable Urbanization in Asia and the Pacific’**”, co-organized by the IPS and the Asian Development Bank (ADB), Cinnamon Grand, Colombo, 20 and 21 September.

IPS Launched its flagship report “**Sri Lanka: State of the Economy 2017**”, Dr. Saman Kelegama Auditorium, IPS, 10 October. Expert workshop on “**Land Health is National Wealth**”, co-organized by the Ministry of Lands and Parliamentary Reforms, World Agroforestry Centre (ICRAF) and Blue-Green Economy Financing Facility (BEFF), Dr. Saman Kelegama Auditorium, IPS, 11 to 13 October.

Launch of IPS’ latest publication, “**Better Schools for Better O-Level Results in Sri Lanka**”, authored by Nisha Arunatilake and Ashani Abayasekara, IPS, 28 November.



IPS hosted a **Twitter Chat** to unpack the findings of the Institute’s flagship report, “**Sri Lanka: State of the Economy 2017**”, on Sri Lanka’s Economic Policy Direction, IPS, 14 December.

4.9.5 Publications in 2017



- Health Statistics 2015 “Census of Private, Co-operative & State Hospitals, 2015” by IPS, G. D. Dayaratne
- “Why People Choose to Participate in the Non-Standard Forms of Employment in Sri Lanka”, by IPS Priyanka Jayawardena
- The 14th Edition of the “Talking Economics Digest”, by IPS, Jan – June 2017 - volume features the theme “Bridging the Skill Gap”.
- “Women-owned and Led Micro, Small Medium Enterprises in Spice and Coir Sectors of Sri Lanka: Constraints and Policy Options”, by IPS, Janaka Wijayasiri, Sunimalee Madurawala, Dilani Hirimuthugodage and Dharshani Premaratne.
- “Sri Lanka State of the Economy 2017: Demographics, Labour Markets and Growth”, by IPS Research Team.
- “Better Schools for Better O-Level Results in Sri Lanka”, by IPS, Ashani Abayasekara and Nisha Arunatilake.
- “Are there Good Quality Teachers for All Classrooms in Sri Lanka?”, by IPS, Ashani Abayasekara and Nisha Arunatilake.
- The 13th Edition of the “Talking Economics Digest” by IPS, July – December 2016 volume features the theme “Financing for Development”

4.10 Central Bank of Sri Lanka

The Central Bank of Sri Lanka (CBSL) has implemented several proactive policy measures during 2017 in order to achieve the core objectives of maintaining economic and price stability and financial system stability. To achieve the core objectives of the CBSL as well as to discharge its responsibilities as economic advisor and banker to, and agent of the Government of Sri Lanka (GoSL), the CBSL undertakes the following functions.

- A. Economic and Price Stability
- B. Financial System Stability
- C. Currency Issue and Management
- D. Agency Functions

A. Economic and Price Stability

I. Economic Research Department

Annual Action plan:

- Closely monitor the monetary expansion and inflation together with other macroeconomic developments, implement proactive policy measures to maintain economic and price stability.

Achievements:

- Underlying inflation, as measured by core inflation, has remained subdued in 2017 due to prudent and timely demand management policy measures taken by the Central Bank of Sri Lanka (CBSL). Headline inflation, though increased above the desired level due to the impact of tax revisions and supply side disruptions related to the adverse weather, declined by end 2017. Hence, inflation broadly remained in the desired path of the CBSL.
- Growth in broad money aggregates and private sector credit, which were the key concerns in the monetary sector, were brought down to the desired levels by maintaining a tight monetary policy stance.
- The Central Bank maintained an increasingly flexible exchange rate policy during the year, while purchasing foreign exchange from the market on a net basis to build up reserves.
- Sri Lanka successfully completed three reviews of the three-year Extended Fund Facility (EFF) of SDR 1.1 billion (approx. US dollars 1.5 billion), which was secured in 2016. Accordingly, as of end December 2017, it has received four tranches amounting approximately to US dollars 759.9 million. (Please refer Annex I for graphical information of the progress)

Source: Economic Research Department

II. Statistics Department

Annual Action Plan:

- Monitor the developments in economic activities and prices via early indicators and business sentiments to contribute in the process of monetary policy decision making.
- Liaise with external and internal agencies in ascertaining Sri Lanka's position in global rankings and contribute to the process of monitoring provincial & regional economic improvements.

Achievements:

- Aligning early indicators of economic activities with activity breakdown of national output.
- Monthly and periodic business sentiment analysis as a forward-looking indicator of economic developments.
- Early detection of price developments, wage and employment activities. (Annex II refer to few key charts of early indicators of economic activities, Purchasing Managers' Index and Business Outlook Survey, Wage and Early warning indicators)
- Compiling Provincial Gross Domestic Product (PGDP) and prosperity index.

III. International Operations Department

Annual Action Plan:

- Preserve the value of foreign exchange reserves, ensuring required level of liquidity and a reasonable return.
- Ensuring an effective and efficient domestic foreign exchange market and enhance transparency of LKR pricing globally.

Achievements:

- The foreign reserves are managed with a liability based approach where the assets are matched against the liabilities whilst the return was measured with a ‘total return concept’. Under the ‘total return concept’ both realized and unrealized gains/losses are considered together and measured against the total risk tolerance level of the CBSL.
- Further, total risk tolerance of the reserves is attributed among the tranches, asset classes and/or through the individual portfolios enabling to identify the risk triggering levels from the lowest level to the entire reserve size.
- Importantly, risk return profiles of the reserves are aligned to globally accepted benchmarks and the returns are measured against them with the intention of achieving or surpassing the stipulated benchmark return.
- In order to strengthen the real time monitoring and analysis of the domestic interbank foreign exchange market of Sri Lanka, whilst ensuring more transparency in price discovery for the market participants, the existing reporting system named, “Videsha Vinimaya” (VV) system was replaced with a new system named, “Central Integrated Market Monitor (CIMM)” which is linked with Bloomberg and Thomson Reuters Trading Platforms, Licensed Banks and Authorized Money Brokers to automatically capture the FX transactions information.

IV. Domestic Operations Department

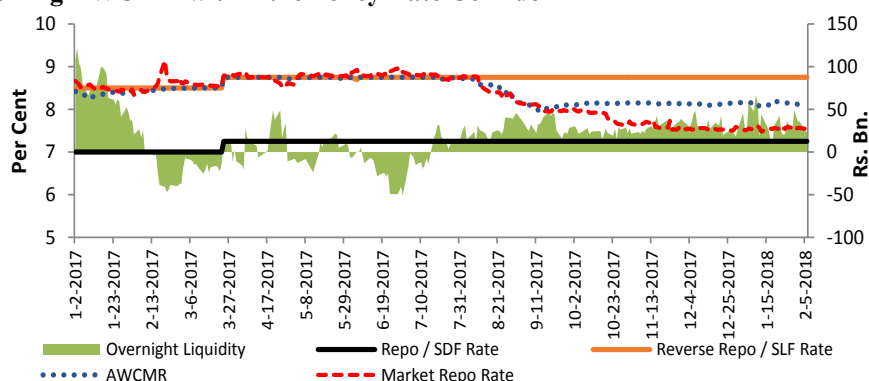
Annual Action plan:

- Maintain the Average Weighted Call Money Rate (AWCMR) appropriately within the standing rate corridor by conducting Open Market Operations (OMO) and providing Standing Facilities to Participant Institutions (PIs). Further Domestic Operations Department (DOD) acted as Banker to the Government, its agencies and commercial banks, thereby helping the Government to meet its financial obligations and enhance efficient functioning of the inter-bank payment and settlement system.
- Administrate the Statutory Reserve Requirement while regulating of Authorized Money Brokers.

Achievements:

- Introduction of a new IT application for the generation of official prices of government securities.
- Provision of new information relating to OMO to the market (liquidity forecast and cut-off rates of auctions).
- Completion of studies on eligible counterparties for OMO, promoting Sri Lanka Inter Bank Offer Rate (SLIBOR) as a benchmark rate and alternative methods to absorb excess liquidity.
- Preparation of a supervisory manual for examination of money brokers.
- Introduction of Central Integrated Market Monitor (CIMM) for PIs (Licensed Commercial Banks and Primary Dealers) and Authorized Money Brokers to report transactions and liquidity through a single interface.

Maintaining AWCMR within the Policy Rate Corridor



B. Financial System Stability

V. Bank Supervision Department

Annual Action plan:

- Promote safety and soundness of licensed banks.

Achievements:

- Issued 07 Directions, 02 Determinations and 03 Circulars on amendments to pawning conditions, loan to value ratio for credit facilities, implementation of budget proposals, interest rates on credit products, concessions in respect of credit granted to flood affected borrowers, enhancement of minimum capital requirements, financial derivative transactions and foreign currency borrowings, as a part of the continuous effort to strengthen the banking industry and its regulatory framework.
- Conducted 38 examinations during 2017 including 6 examinations that continued from the previous year. 33 examinations were concluded within the year after conducting formal discussions with the senior management of the banks and submitting examination reports to the Monetary Board while 05 examinations were in the process of completion.
- During the year, 704 approvals relating to branches and other service outlets were processed and 662 approvals were granted. Accordingly, at the end of 2017, there were 3,560 bank branches, 3,059 student savings units and 4,416 ATMs in operation. Meanwhile, approval was granted for one licensed commercial bank (LCB) to open a subsidiary in Maldives. Further, in 2017, a letter of provisional approval was issued to Bank of China to establish a branch to operate as an LCB in Sri Lanka and approval was also granted for Doha Bank to operate a representative office in Sri Lanka.
- During 2017, 16 requests for regulatory approvals were processed during the year 2017 and 13 approvals were granted. Accordingly, 5 approvals were granted to include debentures under Tier 2 capital for capital adequacy purposes, 5 approvals to exceed the regulatory limit for foreign borrowings, 1 approval to exceed the material interest in shareholding, 1 approval to exceed the maximum amount of accommodation considering national priority and/or interest, and 1 approval to migrate to alternative standardised approach for calculation of capital charge for operational risk under Basel III.
- Meetings were conducted on regular basis with the senior management of licensed banks, to discuss the bank specific matters to ensure proper oversight and timely implementation of the corrective actions. Bank chairpersons' meetings were held twice a year to apprise on the banking sector performance, developments in the local and global regulatory frameworks, and recent economic developments to facilitate their decision making.
Periodic meetings with the Board appointed committees and meetings with external auditors of banks chaired by the Deputy Governor were held to strengthen the supervisory framework and sustainability of the system.
- Senior officers of Bank Supervision Department served as resource persons for 09 training programmes and facilitated 06 internship programmes for University students during the year 2017.

VI. Department of Supervision on Non-Bank Financial Institutions

Annual Action Plan:

- Strengthen the stability of the Non-Bank Financial Institutions (NBFI) sector, i.e. Licensed Finance Companies (LFCs) / Specialized Leasing Companies (SLCs) and Primary Dealers (PDs) by strengthening the regulatory framework to facilitate effective and efficient financial intermediation and government securities market, while enhancing productivity as well as public confidence in these sectors.

Achievements:

- Conducted 32 examinations with respect to LFCs/SLCs and PDs during the year. Current off-site reporting format was developed further and continuous off-site surveillance of NBFIs was conducted accordingly during the year.

- With the view of strengthening the sustainability of the sector, Minimum Core Capital requirement of LFCs was increased and the companies were required to comply with the direction on staggered basis. Further, the preliminary draft to revise the Risk Weighted Capital Adequacy framework was prepared and issued to the companies for their observations. In addition, directions were issued to LFCs/SLCs on Loan to Value (LTV) ratio for credit facilities in respect of motor vehicles in line with the Budget Proposal for the year 2017. In addition, LFCs and SLCs were requested to grant a relief to borrowers who were affected by bad weather condition.
- Evaluated the compliance level of LFCs/SLCs with the corporate governance direction on semi-annual basis.
- Conducted 8 awareness programs, conveyed 10 audio messages and distributed 9,000 leaflets containing the lists of institutions authorised to accept deposits and other relevant messages to make aware the public on the risk of conducting transactions with unauthorised financial institutions.
- Initiatives were taken to resolve distressed finance companies, largely through mergers and recapitalizations through strategic investors. Further, options are being evaluated on the possibility of resolving such companies in terms of the provisions of the law.
- Quarterly meetings were conducted with Chief Executive Officers of LFCs/SLCs to discuss sector specific matters and to communicate regulatory developments. In addition, several discussions were held with external regulators such as Institute of Chartered Accountants of Sri Lanka, Securities and Exchange Commission of Sri Lanka and the Panel of External Auditors appointed by the Central Bank to discuss matters relating to the sector.
- A committee was appointed as per a Monetary Board decision to propose regulations on government securities market and for PDs. D/SNBFI was a member of the committee.
- Made repayments to the Security Deposit Holders (SDHs) of Golden Key Card Company Ltd as per the Modalities approved by the Supreme Court of Sri Lanka (SC) on 04.08.2015. According to the modalities, repayments of 41% of the security deposits are to be made in 03 Tranches using the funds advanced by the Government and it will be considered as full and final payment.

VII. Payments and Settlements Department

Annual Action Plan:

- Ensure safety, efficiency, integrity and stability of the payment and settlement systems (PSS) in the country while facilitating new developments in PSS in order to move towards a less cash society.

Achievements:

- Facilitated the implementation of the sub- switches of the Common Card and Payment Switch. Accordingly, all licensed banks operating their own ATM switches joined the Common ATM Switch (CAS) as a result of the measures taken by CBSL to extend the benefits of CAS to ATM cardholders. In addition, monitored the licensed banks joining the Common Electronic Fund Transfer Switch (CEFTS) as per the timelines specified by CBSL and as at end December 2017, 27 licensed banks had joined CEFTS.
- Provided leadership and guidance to introduce the LankaPay Online Payment Platform (LPOPP) to facilitate real time payments to Sri Lanka Customs. LPOPP was launched on 20 July 2017. Considering a request made by the Commissioner General of Inland Revenue to integrate Revenue Administration Management Information System (RAMIS) of the Inland Revenue Department (IRD) with LPOPP, granted approval for LCPL to integrate LPOPP with RAMIS.
- Granted approval to LankaClear (Pvt) Ltd., to implement a National Card Scheme in partnership with an International Card Scheme. It is expected to launch the National Card Scheme in first quarter 2018.
- Measures were taken to strengthen the regulatory framework to regulate new developments in PSS. Accordingly, finalized the Guideline on Minimum Compliance Standard for payment related Mobile Applications to set minimum compliance standards for Mobile Applications used by Financial Institutions to provide payment services.

In addition, finalized the Direction on Acquiring Payment Card based Electronic Commerce Transactions through Service Providers to stipulate conditions on acquiring payment card based transactions through Service Providers in order to ensure timely payments to merchants and to safeguard the interests of cardholders.

C. Currency Issue and Management

VIII. Currency Department

Annual Action Plan:

- Issue of currency as a mean of payment to facilitate the growth of the economy and improve currency management and operation process.

Achievements:

- Steps were taken to strengthen the Clean Note Policy of the CBSL, by implementing strict enforcement of legal provisions on willful mutilation, alteration and defacement of Sri Lanka currency notes. Accordingly, a decision was taken to not to entertain claims on willfully mutilated, altered and defaced currency notes after 31.03.2018 with the objective of moving towards a country enriched with clean currency notes.
- Enhance the quality standards of the currency notes that are issued by CBSL by implementing the process of Single Note Inspection at the end of the note production line.
- Measures were taken to design a new coin series to reduce the minting cost and to ease the handling of coins. The process of approving the sample coins for two denominations (Rs.10 & Rs.5) is being finalized and deliveries of the same are being planned.
- In order to improve efficiency of currency operations, new machines were procured and system developments were introduced to streamline and automate the currency acquisition and issuance.

Item	Value (Rs. billion)
Currency notes issued to Licensed Commercial Banks	628.0
Currency coins issued to Licensed Commercial Banks	1.4
Currency notes deposited by Licensed Commercial Banks	584.0

Item	Number
Number of court cases attended to give evidence on counterfeit notes	10
Number of public awareness programmes/seminars on security features of currency notes	31

Table 4.20: Progress from 01.01.2017 to 31.12.2017- currency issue & Management

D. Agency Functions

IX. Employees' Provident Fund Department

Annual Action Plan:

- Provide an optimum level of retirement benefits to the members while ensuring safety of the fund, and ensuring highest level of stakeholder satisfaction while confirming optimum level of resource utilization and improve the performance and productivity of the staff through capacity building.

Achievements:

- The total fund size of the EPF has increased up to Rs. 2,065 bn with an annual growth of 12.17%. The fund was able to achieve a Return on Investments of 11.80% for 2017 in comparison to 11.43% in 2016.
- The CBSL initiated steps to enhance the institutional capacity, including necessary technological infrastructure and risk management capabilities to ensure effective and prudent fund management to secure higher return to members while ensuring safety of the fund.
- Commencement of initial work for setting up of comprehensive ICT solution for all EPF operations with the technical assistance of ADB under the loan granted for the Capital Market Development of Sri Lanka and from the World Bank under the Financial Sector Modernization Project to enhance the service for the members of EPF.

X. Department of Foreign Exchange

Annual Action Plan:

- Improve the business confidence in Sri Lanka in a globalized business environment to gain competitive advantage by introducing new policy measures to facilitate foreign exchange transactions to support growing economic activities.

Achievements:

- As per the budget in 2017, it has been proposed to introduce a Foreign Exchange Act to protect foreign reserves from irregular transactions by repealing the Exchange Control Act No.24 of 1953. Accordingly, Foreign Exchange Act No.12 of 2017 has been enacted with effect from 20.11.2017. Accordingly, milestones for the year 2017 as follows.

Note: Foreign Exchange Act No. 12 of 2017 comes into operation with effective from 20 November 2017 as per the Gazette of the Democratic Socialist Republic of Sri Lanka - Extraordinary (2043/31) dated 31st October 2017. Accordingly, Department of Foreign Exchange was established from 20 November 2017 replacing Exchange Control Department.

Under the Exchange Control Act, No.24 of 1953

Issuing Directions:

- New Directions were issued on 07.03.2017 permitting Sri Lankans, resident outside Sri Lanka on Permanent Residency visa (PR) in another country and individuals who have obtained dual citizenship in Sri Lanka and any other country to obtain loans in foreign currency and in Sri Lanka Rupees, from the Domestic Banking Units (DBUs) of Authorized Dealers.
- New Directions on Non-Resident Foreign Currency (NRFCs) accounts, Resident Foreign Currency (RFCs) accounts, Foreign Exchange Earners' Accounts (FEEAs) and Resident Non-National Foreign Currency Accounts (RNNFCs) were issued on 25.05.2017 to the National Savings Bank (NSB) incorporating relaxations made so far with respect to such accounts opened and maintained with NSB.
- Directions on NRFCs and RFCs were issued on 14.08.2017 to the LOLC Finance PLC, People's Leasing & Finance PLC, LB Finance PLC and Melsta Regal Finance Ltd incorporating relaxations made so far with respect to such accounts opened and maintained with Licensed Finance Companies (LFCs).

Issuing special permissions:

- Permission was granted on 23.06.2017 granting permission to Authorized Dealers to consider funds received from Exchange Companies/Houses, as inward remittances received from abroad through the banking system for the purpose of permitted credits to RFCs, NRFCs, SIAs and Special Foreign Investment Deposit Accounts (SFIDAs)
- Permission was granted on 10.07.2017 to Authorized Dealers and NSB to open and maintain RFCs jointly provided that each joint holder is an eligible person to open a RFC.
- Permission was granted on 20.07.2017 to open a Special Foreign Currency Account to facilitate on international trading platform through a commercial bank.

Under the Foreign Exchange Act, No. 12 of 2017

Implementing new Foreign Exchange Act:

- Provided necessary facilitation including formulation of new regulation to the Ministry of National Policies and Economic Affairs on implementation of the Government policy to bring in new legislation to introduce a new foreign exchange management framework.
- The Foreign Exchange Act No.12 of 2017 passed repealing the Exchange Control Act No.24 of 1953 was made effective with effect from 20.11.2017. Consequently, the Department of Foreign Exchange was established to implement the provisions of this new Act and the Exchange Control Department ceased to operate.
- Reviewed the policy directions according to new legislation and facilitated the issue of Regulations and Orders by Gazette Notifications No.2045/56 dated 17.11.2017, under the Foreign Exchange Act No.12 of 2017.

- Subsequently, fifteen Directions have been issued to Authorized Dealers under the Foreign Exchange Act No.12 of 2017.
- Key changes relating to the foreign exchange regulations in 2017 are as follows;
 - i. Enhancement of authorized entities to deal in foreign exchange.
 - ii. Reclassification of a large number of foreign currency accounts into five major categories as Personal Foreign Currency Accounts (PFCAs), Business Foreign Currency Accounts (BFCAs), Inward Investment Accounts (IIAs), Capital transactions Rupee Accounts (CTRAs) and Outward Investment Account (OIA).
 - iii. Free transferability of funds between certain foreign currency accounts for customer convenience and extended services.
 - iv. Assignment of the responsibility of determination and execution of international current transactions to Authorized Dealers based on the bona-fide of such transactions.
 - v. General permission to Authorized Dealers to transfer eligible Migration Allowance on behalf of Sri Lankan Emigrants and enhanced the migration allowance.
 - vi. Further relaxation of capital account transactions specially with respect of capital outflows by enhancing limits while creating opportunity for foreign investors and local entrepreneurs to invest locally and abroad.
 - vii. Consider penalties on all non-compliances of foreign exchange regulations under non- criminal environment.
- Conducted several awareness programmes to stakeholders representing areas such as banking, finance, trading, professionals and academic communities to make them aware of the provisions of the Foreign Exchange Act.

Issuing money changing licenses:

- Reviewed the existing criteria applicable to appointment of new money changers with the approval of the Monetary Board and issued six new permits.
- Further, New permits were issued to two branch offices of existing money changers.
- Permission has been granted to all existing Authorized money changers to act as per the Restricted Dealers in terms of the Section 4(2)(b) of the Foreign Exchange Act No.12 of 2017.

XI. Public Debt Department

Annual Action plan:

- Increase the Average Time to Maturity (ATM) of domestic currency debt portfolio to 6.5 years and maintain the short-term domestic debt to total domestic debt ratio at/below 19.5 per cent at the end of 2017.
- Deepen and broaden the secondary market for T-bills and T-bonds through issuance of benchmark maturities of Government securities and improve the transparency in the Government Securities' primary and secondary market.

Achievements:

- With the implementation of a sound debt management strategy, the short-term domestic debt to total domestic debt ratio was maintained in line with 19.5 per cent target (18.7 per cent as at end November 2017). The ATM of domestic currency debt decreased to 5.78 years at the end of December 2017.
- A new primary issuance system for Treasury bonds (T-bonds) was introduced, effective from July 27, 2017. The new system replaced the existing fully auction based issuance system for T-bonds, that has been in practice since February 2015. The main purpose of introducing the new system is to further enhance the efficiency and transparency of the domestic borrowings of the Government. Further, it is expected to implement a similar auction system for T-bill primary issuances.
- Liability management act has been gazetted and is expected to be enacted in the first quarter of 2018 in order to improve the underlying risk profile of the public debt stock of the country. This will enable to proactively address part of the refinancing requirements ahead of time (reduce rollover peaks) and extend the maturity duration beyond 2027 for commercial borrowings (International Sovereign Bonds). It will also enable the extension of the maturity structure of T-bonds and the smoothening of the coupon payments cycle.

XII. Regional Development Department

Annual Action plan:

- Coordinates, facilitates and implements refinance schemes and interest subsidy/credit guarantee schemes through Participating Financial Institutions (PFIs), delivers of credit supplementary services, and conducts awareness and capacity building programmes to achieve balanced growth and to enhance financial inclusiveness in the country.

Achievements - Strategic/ Policy Measures:

- The data and information collected through an island wide survey conducted in 2016 on demand side factors of Financial Inclusion were analyzed to present to the management with a view of developing a comprehensive National Strategy for Financial Inclusion.
- Actions were taken to develop a comprehensive National Financial Inclusion Strategy (NFIS). Accordingly, necessary approval has been obtained to acquire the technical assistance of the International Financial Corporation (IFC) of the World Bank (WB) to develop a NFIS.
- “SWASHAKTHI- Towards One Million Jobs” Loan Scheme for MSME sector Development and Employment Generation was introduced in March 2017 with a view of contributing to the National Programme of Employment Generation through providing financial assistance to new entrants to MSME sector & build up the capacities of existing entrepreneurs.
- Actions were taken to promote commercial scale organic agriculture and dairy entrepreneurs through establishment of multi-stakeholder enterprises. Field studies and meetings were conducted with an Organic Farmer group and a Horticulture Farmer group in Nuwara Eliya with the assistance of CBSL Regional Offices. The first draft of business models and structures has been finalized and informed to “Agco” Organic Producers for further development.
- “Athwela” Loan Scheme was introduced in August 2017 for Resumption of Economic Activities affected by Disasters (READ) by the Central Bank of Sri Lanka (CBSL), on behalf of the Government of Sri Lanka (GOSL) to provide credit facilities at concessionary terms and conditions to resume economic activities affected by disasters.
- The Post-disaster Economic Activity Recovery Loan Scheme (PEARL) was implemented under the NADeP (National Agri Business Development Programme) in August 2017 to provide credit facilities at concessionary terms and conditions to resume economic activities affected by disasters.
- Actions were taken to implement the Smallholder Agribusiness Partnership Programme (SAPP) funded by the IFAD (International Fund for Agriculture Development). The programme has been aimed at facilitating smallholders involved in commercially oriented production by building the capacity of producer groups, organizing, and strengthening the network under the partnerships with the private sector.

Achievements - Operational/ Policy Measures:

- Refinance Disbursements totaling Rs. 8,903.46 mn were provided to the PFIs for 51,279 loans.
- Interest Subsidies totaling Rs. 9,493.72 mn were paid to the PFIs for 73,068 loans.
- 230 Awareness programs were conducted for more than 20,000 participants covering all the districts.
- 50 Articles were published in “ADA” newspaper on Financial Literacy and 42 advertisements were published on “Swashakthi” Loan Scheme.

XIII. Financial Intelligence Unit of Sri Lanka (FIU)

Annual Action plan:

- Financial Intelligence Unit of Sri Lanka (FIU) is responsible for administering the provisions of the Financial Transactions Reporting Act, No. 6 of 2006 (FTRA) by facilitating the prevention, detection, investigation and prosecution of the offences related to Money Laundering and Terrorist Financing (ML/TF).

Achievements:

- Issued the circular relating to the Onsite Examinations in terms of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Risk-Based Approach to the All Licensed Banks and Licensed Finance Companies on 17.01.2017.
- Issued Risk-Based AML/CFT Guidelines for Money Value Transfer Service (MVTS) providers on January 20, 2017.
- Issued Extra Ordinary Gazette No 2015/56 dated 30.03.2017, on Suspicious Transactions (Format) Regulations of 2017.
- Hosted the 20th Annual Meeting of the Asia/Pacific Group on Money Laundering (APG) in Colombo during July 15-21, 2017 with the participation of 408 delegates from 41-member countries of the APG and 24 observers from several international observer organisations. The event was graced by H.E. the President, Maithripala Sirisena and Hon. Mangala Samaraweera, Minister of Finance and Mass Media.
- The FIU and other relevant stakeholders have already taken necessary steps to implement the action plan recommended by the Financial Action Task Force based on the Mutual Evaluation on Sri Lanka in 2014/15.
- In terms of the provisions of the FTRA, the FIU of Sri Lanka entered into a Memorandum of Understanding (MOU) with the following institutions.

Institution	Date
Department for Registration of Persons	11.01.2017
Financial Intelligence Unit of the Kingdom of Bhutan	16.07.2017
China AML Monitoring and Analysis Centre	16.07.2017
Qatar Financial Information Unit	26.10.2017
Financial Intelligence Unit of Trinidad and Tobago	03.11.2017
Sri Lanka Police	13.12.2017

Table 4.21: Achievements of FIU

Chapter 05

Financial Performance for the Year 2017

Expenditure Head No: 104

5.1 Approved Estimates

Programme Number given in Annual Estimates	Title of the Programme given in Budget Estimates	(1)	(2)	(3)	(4)	(5)	(6)
		Provision in Budget estimates	Supplimentary Provision and Supplimentary Estimate Allocation	Transfers in terms of F.R.66 and F.R.69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	<u>Recurrent</u>						
1	Operational Activities	302,704,000	68,936,556	(11,432,116)	360,208,440	356,160,749	4,047,691
2	Development Activities	1,789,594,000	70,410,721	5,900,963	1,865,905,684	1,744,754,328	121,151,356
	Sub Total (Recurrent)	2,092,298,000	139,347,277	(5,531,153)	2,226,114,124	2,100,915,077	125,199,047
	<u>Capital</u>						
1	Operational Activities	225,514,000	17,116,836,000	4,504,218	17,346,854,218	4,580,064,751	12,766,789,467
2	Development Activities	8,517,700,000	21,953,365,200	1,026,935	30,472,092,135	20,557,277,731	9,914,814,404
	Sub Total (Capital)	8,743,214,000	39,070,201,200	5,531,153	47,818,946,353	25,137,342,482	22,681,603,871
	Grand Total	10,835,512,000	39,209,548,477	-	50,045,060,477	27,238,257,560	22,806,802,917

Table 5.1: Details of approved estimates for 2017

5.2 Recurrent Expenditure by Project

5.2.1 Programme No. & Title :- 01 Operational Activities

Project No./Names, personnel emoluments and other expenditure for all projects	(1)	(2)	(3)	(4)	(5)	(6)
	Provision in Budget Estimates	Supplimentary Provision and Supplimentary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Project No 01 & Title - Ministers Office						
Personel Emoluments	10,250,000	1,494,676	4,037,198	15,781,874	15,226,344	555,530
Other Expenditure	13,550,000	12,792,000	3,710,059	30,052,059	28,562,997	1,489,062
Sub Total	23,800,000	14,286,676	7,747,257	45,833,933	43,789,341	2,044,592
Project No: 02& Title. Administration & Establishment Services						
Personel Emoluments	124,016,000	40,799,998	7,226,484	172,042,482	172,036,481	6,001
Other Expenditure	131,138,000	12,000,000	-26,533,833	116,604,167	115,740,193	863,974
Sub Total	255,154,000	52,799,998	-19,307,349	288,646,649	287,776,674	869,975
Project No 11 & Title. State Minister's Office						
Personel Emoluments	10,250,000	1,849,882	82,503	12,182,385	12,121,892	60,493
Other Expenditure	13,500,000	0	45,473	13,545,473	12,472,843	1,072,630
Sub Total	23,750,000	1,849,882	127,976	25,727,858	24,594,735	1,133,123
Grand Total	302,704,000	68,936,556	-11,432,116	360,208,440	356,160,749	4,047,691

Table 5.2: Recurrent expenditure- operational

5.2.2 Programme No. & Title :- 02 - Development Activities

Project No./Names, personnel emoluments and other expenditure for all projects	(1)	(2)	(3)	(4)	(5)	(6)
	Provision in Budget Estimates	Supplimentary Provision and Supplimentary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Project No: 05 & Title: Public Institutions						
Personel Emoluments						
Other Expenditure	1,626,000,000	60,974,211	-	1,686,974,211	1,572,353,114	114,621,097
Sub Total	1,626,000,000	60,974,211	-	1,686,974,211	1,572,353,114	114,621,097
Project No: 07& Title: Youth Development						
Personel Emoluments	94,879,000	9,436,510	(4,616,637)	99,698,873	98,369,676	1,329,197
Other Expenditure	23,095,000	-	7,017,600	30,112,600	26,714,357	3,398,243
Sub Total	117,974,000	9,436,510	2,400,963	129,811,473	125,084,033	4,727,440
Project No: 08& Title: National Center for Leadership Development						
Personel Emoluments	33,550,000	-	920,000	34,470,000	33,287,626	1,182,374
Other Expenditure	12,070,000	-	2,580,000	14,650,000	14,029,555	620,445
Sub Total	45,620,000	-	3,500,000	49,120,000	47,317,181	1,802,819
Grand Total	1,789,594,000	70,410,721	5,900,963	1,865,905,684	1,744,754,328	121,151,356

Table 5.3: Recurrent expenditure-Development

5.3 Capital Expenditure by Project

5.3.1 Project No. & Title

:- 01 - Minister's office

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Rehabilitation & Improvement of Capital Assets						
2001	11		Buildings and Structures	200,000	6,881,000	1,430,070	8,511,070	8,139,069	372,001
2002	11		Plant, Machinery and Equipment	100,000	-	-	100,000	-	100,000
2003	11		Vehicles	1,150,000	-	-	1,150,000	1,018,661	131,339
			Acquisition of Capital Assets						
2102	11		Furniture and Office Equipment	500,000	-	12,086,401	12,586,401	12,411,401	175,000
2103	11		Plant, Machinery and Equipment	500,000	-	(500,000)	-	-	-
			Total	2,450,000	6,881,000	13,016,471	22,347,471	21,569,131	778,340

Table 5.4: Capital expenditure-Operational-Minister's Office

5.3.2 Project No. & Title

:- 11 -State Minister's office

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Rehabilitation & Improvement of Capital Assets						
2001	11		Buildings and Structures	250,000	-	-	250,000	41,650	208,350
2002	11		Plant, Machinery and Equipment	100,000	-	-	100,000	-	100,000
2003	11		Vehicles	1,150,000	-	-	1,150,000	1,061,421	88,579
			Acquisition of Capital Assets						
2102	11		Furniture and Office Equipment	500,000	-	-	500,000	442,473	57,527
2103	11		Plant, Machinery and Equipment	500,000	-	-	500,000	-	500,000
			Total	2,500,000	-	-	2,500,000	1,545,544	954,456
			Grand Total	225,514,000	17,116,836,000	4,504,218	17,346,854,218	4,580,064,751	12,766,789,467

Table 5.5: Capital expenditure-Operational- State Minister's Office

5.3.3 Project No. & Title

: - 02 - Administration and Establishment Services

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Rehabilitation & Improvement of Capital Assets						
2001	11		Buildings and Structures	3,000,000	-	-	3,000,000	801,876	2,198,124
2002	11		Plant, Machinery and Equipment	1,500,000	-	-	1,500,000	9,600	1,490,400
2003	11		Vehicles	1,100,000	-	4,567,287	5,667,287	5,667,287	1
			Acquisition of Capital Assets						
2101	11		Vehicles	7,364,000	-	(900,000)	6,464,000	6,360,698	103,302
2102	11		Furniture and Office Equipment	2,600,000	-	2,304,585	4,904,585	4,904,585	0
2103	11		Plant, Machinery and Equipment	2,000,000	-	(2,000,000)	-	-	-
			Capacity Building						
2401	11		Staff Training	3,000,000	-	(400,000)	2,600,000	2,455,205	144,795
			Other Capital Expenditure	20,564,000	-	3,571,872	24,135,872	20,199,250	3,936,622
			Acquisition of Financial Assets						
2302	11		On Lending	-	3,555,100,000	-	3,555,100,000	2,500,000,000	1,055,100,000
			Financial City						
2506	11		Infrastructure Development	200,000,000	-	(27,084,125)	172,915,875	100,000,000	72,915,875
			Commence Operation of EXIM Bank of Sri Lanka.						
2301	11		Equity Coontribution	-	10,000,000,000	-	10,000,000,000	-	10,000,000,000
			Global Marketing Campagian to boost theExports, Tourism, FDI & Brand Sri Lanka						
2202	11		Development Assistance	-	1,000,000,000	-	1,000,000,000	16,882,272	983,117,728
			Poverty Alleviation Micro Finance Project Implemented through Central Bank						
2302	17		Other	-	47,000,000	-	47,000,000	37,069,720	9,930,280
			Welfare Assistance for Non - Public Organization .						
2205	11		Capital Grants to Non- Public Institutions	-	4,200,000	-	4,200,000	4,001,750	198,250
			Enabling Accelerated Economic Transformation in Sri Lanka . Setting up a Central Programme Management Unit (CPUM)						
2509	11		Other	-	503,655,000	-	503,655,000	466,446,996	37,208,004
			Loan Scheme for Resumption of Economic Activities Affected by Disasters(READ).						
2302	11		On- Lending	-	2,000,000,000	-	2,000,000,000	1,400,000,000	600,000,000
			Feasibility Study of supply of potable water to the population in Jaffna Peninsula						
2507	11		Research & Development	-	-	15,000,000	15,000,000	12,350,087	2,649,913
			Total	220,564,000	17,109,955,000	(8,512,253)	17,322,006,747	4,556,950,076	12,765,056,671

Table 5.6: Capital expenditure-Operational-Admin and Establishment

5.3.4 Project No & Title :- 05 - Public Institution

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Capital Expenditure						
			National Human Resource Development Council						
2201	11		Public Institutions	15,650,000	-	-	15,650,000	11,823,679	3,826,321
			National Youth Cops						
2201	11		Public Institutions	300,000,000	-	-	300,000,000	215,130,000	84,870,000
			National Youth Service Council						
2201	11		Public Institutions	500,000,000	-	-	500,000,000	467,754,050	32,245,950
			Sub Total	815,650,000	-	-	815,650,000	694,707,729	120,942,271

Table 5.7: Capital Expenditure by Project- Public Institution

5.3.5 Project No & Title :- 06 - Intergrated Rural Development - Empowering Villages

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Decentralized Budget						
2506	11		Infrastructure Development	2,250,000,000	66,390,000	-	2,316,390,000	1,970,789,969	345,600,031
			Food Relief Programme (WFP)						
2202	13		Development Assistance	341,000,000	-	(46,620,000)	294,380,000	271,710,423	22,669,577
	16			500,000,000	-	-	500,000,000	452,444,211	47,555,789
	17			300,000,000	-	(500,000)	299,500,000	297,722,964	1,777,036
			Rural Infrastructure Development Programme						
2506	11		Infrastructure Development	3,245,000,000	6,268,290,000	-	9,513,290,000	4,628,858,212	4,884,431,788
			Development of Selected Religious Centers						
2506	11		Investments		300,000,000	-	300,000,000	224,597,464	75,402,536
			VEGA/Bix Project						
2202	17		Development Assistance	5,000,000	-	-	5,000,000	4,973,806	26,194
			Redevelopment of the Bogambara Prison Precinct						
2506	11		Infrastructure Development		149,845,200	-	149,845,200	96,631,880	53,213,320

Table 5.8: Capital Expenditure by Project-Intergrated Rural Development (1)

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Establish a Special Fund to Empower the Local Leaders				-		
2202	11		Development Assistance -		300,000,000	-	300,000,000	-	300,000,000
			Interest Free Loan Scheme to finance the small Business Ventures		7,010,500,000	-	7,010,500,000	5,766,787,670	1,243,712,330
2202	11		Development Assistance -				-		
			Granting of Loans for Small and Medium Enterprise (SME) Sector Development & Employment generation		3,000,000,000	-	3,000,000,000	2,500,000,000	500,000,000
2202	11		Development Assistance -						
			Assistance for Disaster affected People (GOSL/WFL)		425,140,000	46,620,000	471,760,000	471,760,000	-
2202	13		Development Assistance -						
2202	17					500,000	500,000	-	500,000
			Sub Total	6,641,000,000	17,520,165,200	-	24,161,165,200	16,686,276,598	7,474,888,602

Table 5.9: Capital Expenditure by Project-Integrated Rural Development (2)

5.3.6 Project No & Title: :- 07 - Youth Development

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			Rehabilitation & Improvement of Capital Assets						
2001	11		Buildings and Structures	2,000,000	-	-	2,000,000	1,862,785	137,215
2002	11		Plant, Machinery & Equipment	1,750,000	-	-	1,750,000	143,434	1,606,566
2003	11		Vehicles	1,000,000	-	1,470,631	2,470,631	2,470,630	1
			Acquisition of Capital Assets						
2101	11		Vehicles	-	-	-	-	-	-
2102	11		Furniture and Office Equipment	12,000,000	-	-	12,000,000	3,052,257	8,947,743
2103	11		Plant, Machinery & Equipment	10,000,000	-	-	10,000,000	327,833	9,672,168
2106	11		Software Development	3,000,000	-	-	3,000,000	578,286	2,421,714
2401	11		Staff Training	10,000,000	-	(443,696)	9,556,304	91,155	9,465,150
			Capital Expenditure						
			Other Capital Expenditure	1,000,000	-	-	1,000,000	-	1,000,000
2506	11		Infrastructure Development						
2509	11		Others	110,000,000			110,000,000	92,372,566	17,627,434
2509			Empowering the youth parliament						
	11		Other	250,000,000	383,200,000	-	633,200,000	544,000,000	89,200,000

Table 5.10: Capital Expenditure by Project-Youth Development (1)

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2509	11		Yown Pura -2016						
	11		Other	150,000,000	-	-	150,000,000	150,000,000	-
2202	11		Youth Training through National Youth Corps						
	11		Other	500,000,000	-	-	500,000,000	500,000,000	-
2509	11		Vocational training programme under National Youth Services council & Youth Corps						
	11		Development Assistance	-	4,000,000,000	-	4,000,000,000	1,844,393,017	2,155,606,983
2509	11		Drug Prevention and Eradication Programme						
	11		Other		50,000,000	-	50,000,000	26,769,137	23,230,863
			Sub Total	1,050,750,000	4,433,200,000	1,026,935	5,484,976,935	3,166,061,100	2,318,915,835

Table 5.11: Capital Expenditure by Project-Youth Development (2)

5.3.7 Project No & Title :- 08 - National Center for Leadership Development

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)	(6)
				Provision in Budget Estimates	Supplementary Provision and Supplementary Estimate Allocation	Transfers in terms of the F.R. 66 and F.R. 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings/(Excesses) (4-5)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2001	11		Rehabilitation & Improvement of Capital Assets	1,900,000	-	-	1,900,000	1,854,545	45,455
	11		Buildings and Structures	400,000	-	-	400,000	397,166	2,834
2002	11		Plant, Machinery & Equipment	500,000	-	-	500,000	500,000	-
2003	11		Vehicles -						
2102	11		Acquisition of Capital Assets	700,000	-	-	700,000	699,743	258
	11		Furniture and Office Equipment	300,000	-	-	300,000	300,000	-
2103	11		Plant Machinery and Equipment						
2401	11		Capacity Building	6,500,000	-	-	6,500,000	6,480,851	19,149
	11		Staff Training						
			Sub Total	10,300,000	-	-	10,300,000	10,232,304	67,696
			Grand Total	8,517,700,000	21,953,365,200	1,026,935	30,472,092,135	20,557,277,731	9,914,814,404

Table 5.12: Capital Expenditure by Project-NHRDC

5.4 Advance Accounts

Annual Reconciliation Statements of Public Officer's Advance "B" Account as at 31.12.2017 in terms of F.R.506(D)

Limits		Maximum Limit of Expenditure	Minimum Limits of Receipts	Maximum Limits of Debit Balance
		Rs.	Rs.	Rs.
1.1	Authority given by the Appropriation Act.	35,000,000.00	16,000,000.00	100,000,000.00
1.2	Revised approved during the year	35,000,000.00	12,000,000.00	100,000,000.00

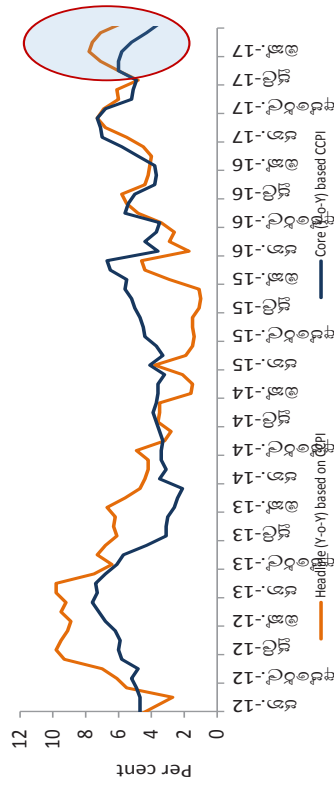
Actual		Expenditure (Debit)	Receipts (Credit)	Debit Balance
		Rs.	Rs.	Rs.
2	Actual Figures of the year end (According to the Treasury print out)			
	2.1 By Cash (11)	33,450,802.62	14,006,217.08	
	2.2 By Cross Entries (12)	2,764,744.00	5,130,347.50	69,202,074.24
3	Adjesments under actual figures in items of F.R 503 (1)			
	3.1 By Cash (11)		3,750.00	
	3.2 By Cross Entries (12)	8,750.00		5,000.00
4	Actual Figures after removing the adjustments under 1	36,206,796.68	19,132,814.58	69,197,074.24
	4.1 By Cash (11)			
	4.2 By Cross Entries (12)			
5	Exceeding the debit limit and dropdown the credit limit	Complied	Complied	Complied

Table 5.13: Annual Reconciliation Statements of Public Officer's Advance "B" Account as at 31.12.2017

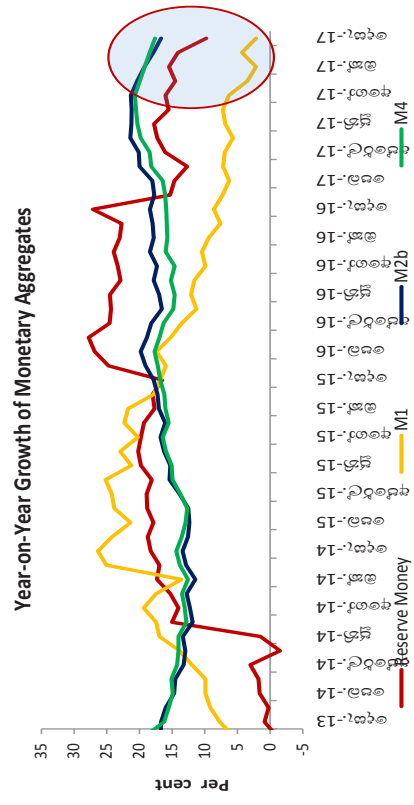
Annex I

The Central Bank continued to maintain the tight monetary policy stance to ensure price stability through maintaining inflation in mid single digit levels

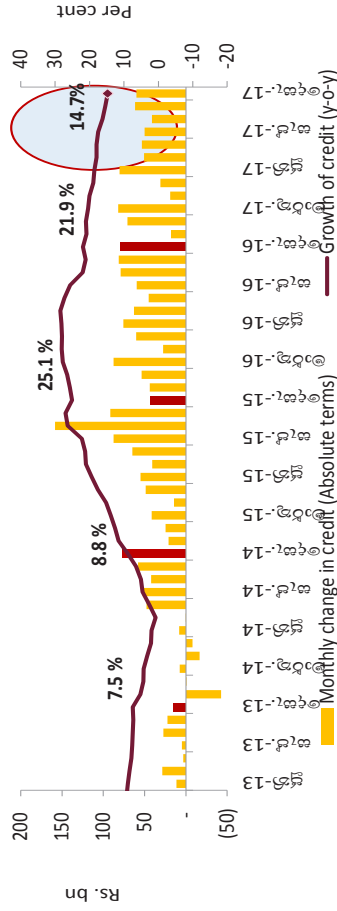
Inflation has declined to the desired range with the normalisation of supply conditions amidst tight monetary policy.....



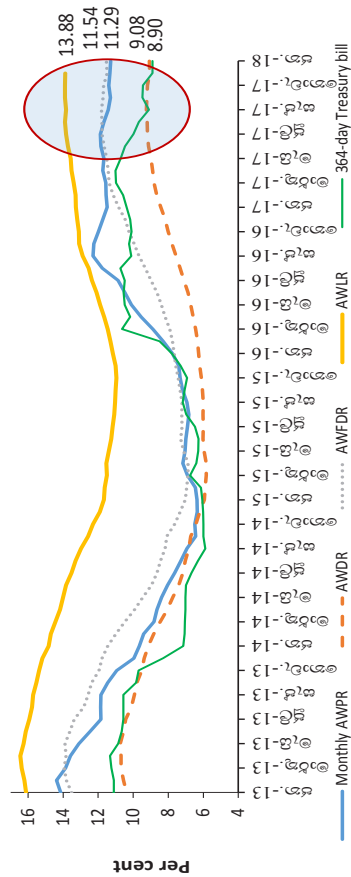
Responding to tight monetary policy measures, expansion in monetary aggregates decelerated to envisaged levels...



Private sector credit moderated as expected ...



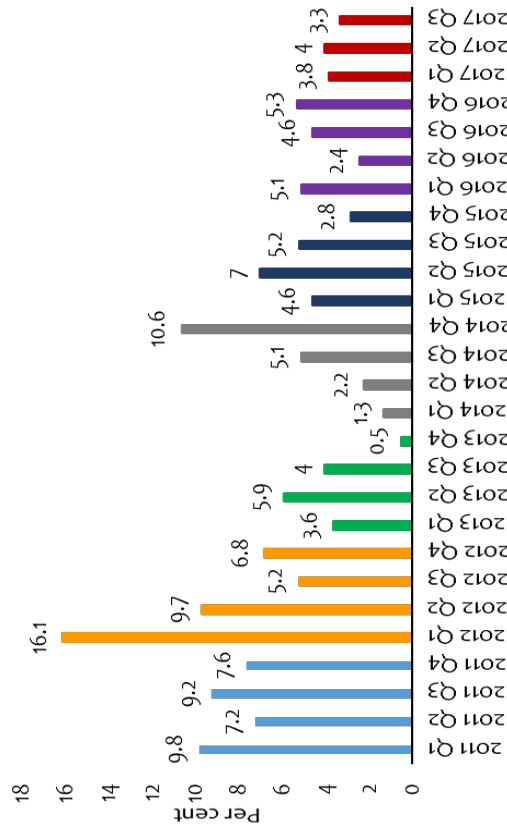
Most market interest rates remain broadly stabilized...



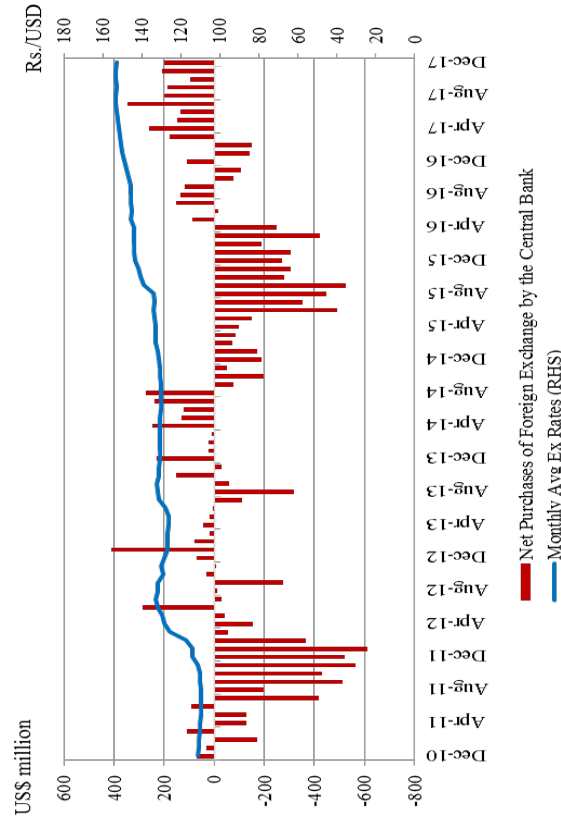
Source: Economic & Research Department

Movements of key macroeconomic indicators

GDP growth remained subpar during the first nine months of 2017 mainly driven by the set back in Agriculture activities...

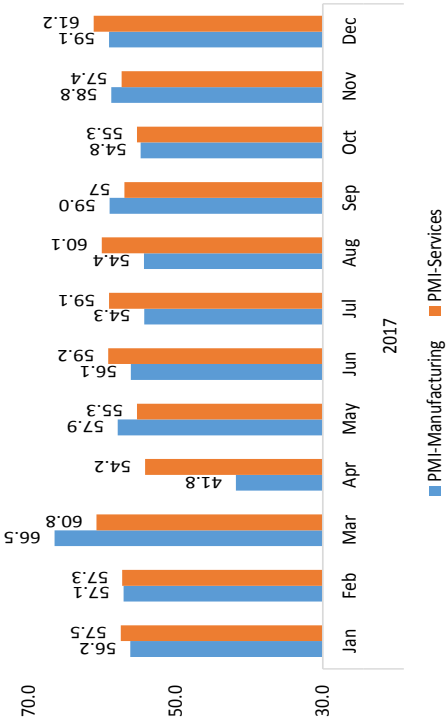


Pressure on the exchange rate appears to have eased...

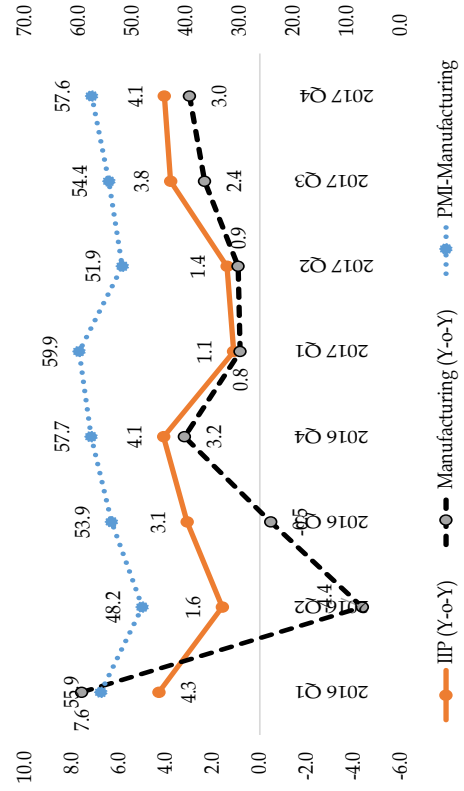


Annex II

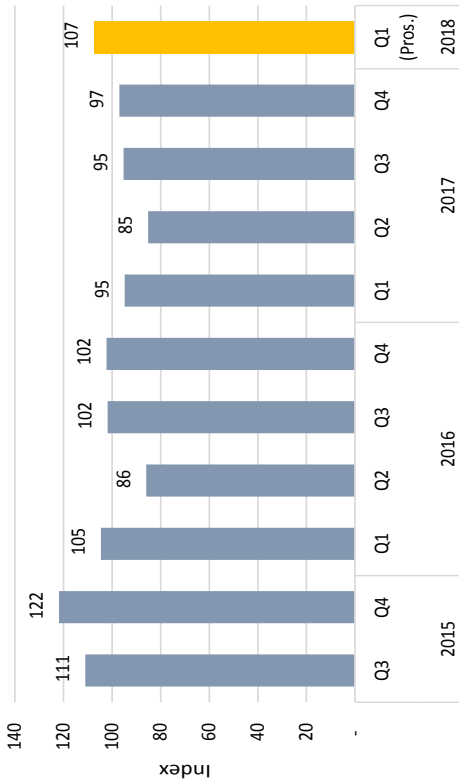
Purchasing Managers' Index



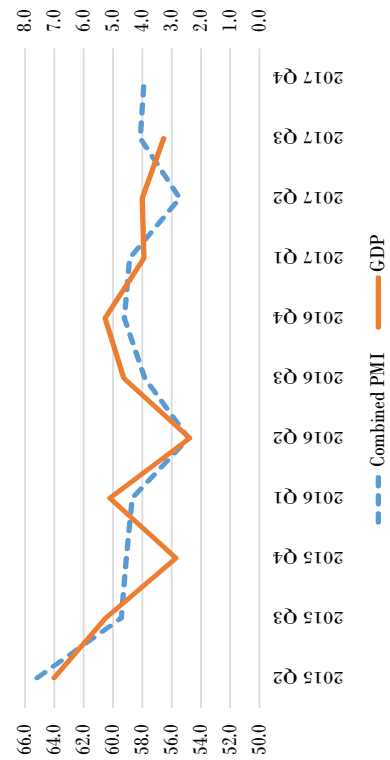
IIP, PMI and Manufacturing GDP



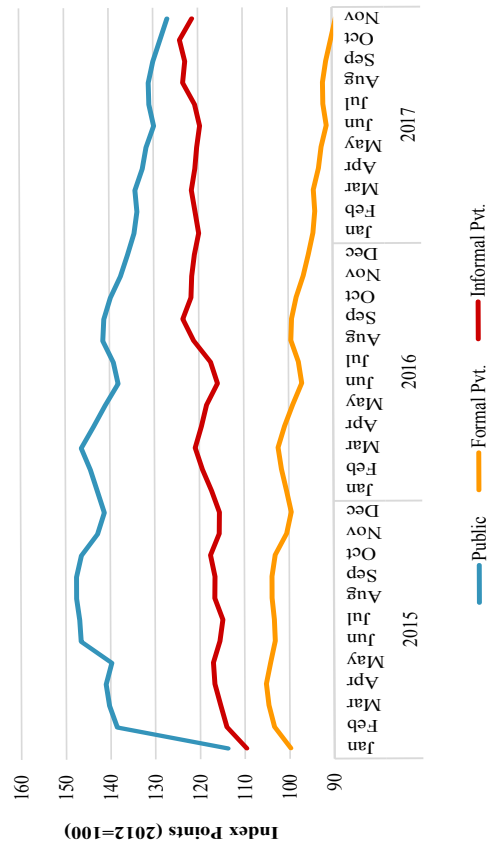
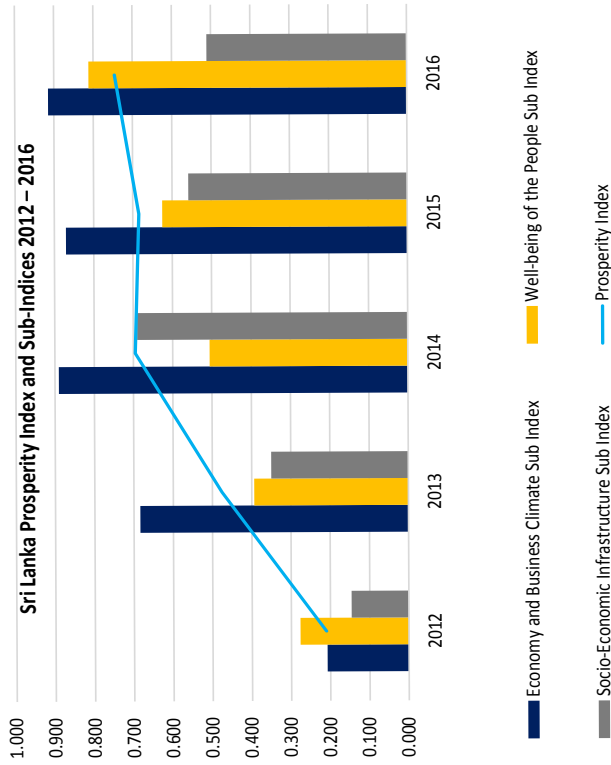
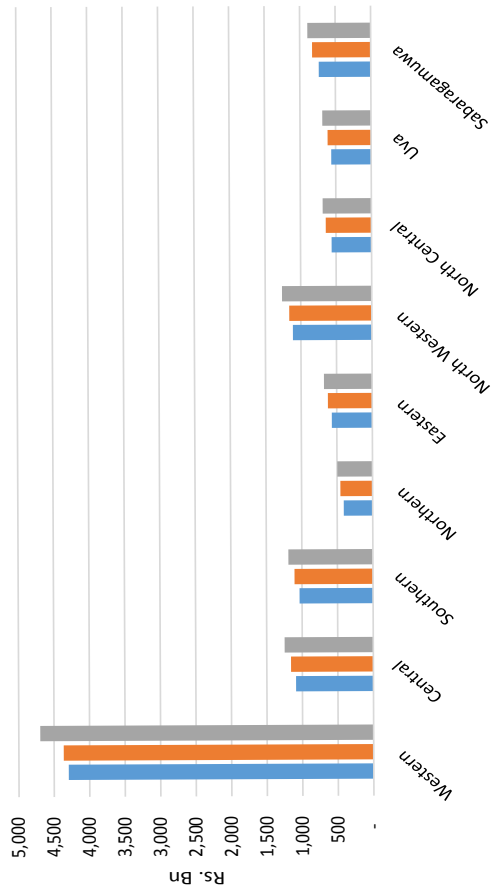
Business Condition



Sri Lanka Combined PMI Index Vs GDP Growth



Gross Domestic Product (at Current Market Prices) by Provinces
2014-2016



Progress of Budget Proposals 2017

Annex III

BP NO	Proposals	Activity	Progress
157	Introducing Foreign Exchange Act.	i. Provide necessary facilitation to the Government to formulate the new legislation. ii. Provide necessary facilitation to complete the enactment of the proposed Act. iii. Review the existing policy directions according to the new legislation and liaise with the stakeholders to identify the new policies to be implemented. iv. Implement the new exchange management framework.	Foreign Exchange Bill has been approved by the Parliament on 25.07.2017 with amendments.
170	All concessionary loans and guarantee and "SMILES" schemes operated by the CBSL to be transferred to the General Treasury before 31.03.2017.	Director Regional Development Department, CBSL has informed that this comes under the purview of the Ministry of Finance.	implemented
181	Ensure that the enabling framework to create an international trading platform.	Provide necessary facilitation by considering any request on a case by case basis under the provisions of the Exchange Control Act.	implemented.
184	a). Increase the limit of declaration of foreign currency of foreigners from USD 15,000 to 40,000. b). Permit the persons who have invested through OIA and has received capital gains, to reinvest through the same OIA upto 50% of the value of such capital gains.	i. Obtaining views of the Director of Financial Intelligence Unit (FIU) since this proposal appears to be inconsistent with the international standards on declaration of foreign currency brought into the country. ii. Based on the views of the FIU, obtaining necessary approval/s from the Monetary Board/Governor. iii. Making necessary amendments to the Gazette Notification referred to above.	Bank Supervision Department (BSD) has issued a direction on limits of foreign borrowings for the banking sector and similar direction will be issued to the non - bank financial institutions sector in the first quarter of 2018.
273	A new Statute to cover pyramid schemes.	Preliminary Bill is being drafted under the Law reform project already initiated by LCD for the statutes administered by the CBSL.	Drafting of the Preliminary Bills is being considered under the Law Reform project already initiated by Legal and Compliance Department of the CBSL for the statutes administered by the CBSL.
274	Introduce Amendments, expanding the applicability of the Debt Recovery (Special) Provisions Act.	Preliminary Bill has been drafted and is being reviewed by LCD	Preliminary Bill drafted by the Legal and Compliance Department of the CBSL has been scheduled to be taken up at the Law Reform project.
277	Issuing of 200 licenses to money changers.	i. Review the existing criteria applicable to appoint new money changers. ii. Obtain Monetary Board approval for any new criteria. iii. Publish the criteria approved by the Monetary Board. iv. Process all applications received in an expeditious manner to issue permission to eligible applicants.	i. Reviewed the existing criteria applicable to appointment of new money changers. ii. Obtained Monetary Board approval for any new criteria. iii. Published the criteria approved by the Monetary Board. iv. Sent a letter to Sri Lanka Tourism Development Authority informing the broad basing of money changing business. v. Processed the applications under new criteria to appoint new money changers under the categories of Limited Companies who are solely engaged in the money changing business (Money Changers), Licensed Finance Companies, Specialized Leasing Establishment, Licensed Specialized Banks and Hotels. vi. Issued six new permits under the categories of Money Changers (04),

			<p>Specialized Leasing Establishment (01) and Hotel (01). vii. Issued new permits to two branch offices of existing money changers.</p> <p>Note: Department of Foreign Exchange (DFE) cannot issue money changing licenses to Restricted Dealers without receiving proper requests. This business need specialized skills/knowledge on the forex market and the conducive geographical locations to start the business. Accordingly, we can only enhance the awareness about the opportunities for opening up of money changing business and its licensing procedure. Therefore, the number "200 licenses" is beyond DFE's control. However, we can have it as a long term target to reach based on the market dynamics.</p>
278	Increase the minimum capital of LCBs, LSBs.	Monetary Board decision has been taken to implement new minimum capital requirements largely in line with the budget proposals with a given time frame. BSD has sought the concurrence of the Ministry to issue the direction to licensed banks.	
	Increase the minimum capital of Primary Dealers.	<p>A direction was issued to increase Minimum core capital of Primary Dealers from Rs. 300 Mn to Rs.1 Bn in 2015. On the Directions of the Monetary Board, a committee was appointed on June 6th, 2016 to propose regulations on Government Securities market and Primary Dealers (PDs).</p> <p>Appropriate measures will be taken to implement the Budget proposal after the finalization of committee report and based on its recommendations. Currently, the total capital ratio (CAR) of the PDs is ranged from 16.9% to 901.1% and it is well above the current regulatory minimum level of 10%.</p>	
281	Revisit policies on consolidation of Banks.	Consolidation of small state owned banks with the large state owned banks is in progress. The applicable Corporate Governance Directions will be revisited subsequently, if necessary.	Being Implemented, 21-40% completed
282 (a)	Direct the banks Direct Banks to ensure that at least 10% of their lending portfolio is for Agriculture, 10% for SME, 10% for exports, 10% for Tourism, 5% for Youth and 5% for Women.	Circular No 01 of 2017 - Implementation of Budget Proposals 2017 in Respect of Banking Services was issued to licensed banks on 01 February 2017 informing banks to distribute credit to identified sectors as proposed	Circular No 01 of 2017- was issued to licensed banks
282 (b)	Direct the banks Direct the banks to lend at least 15% of the deposits within the same area for business development.	Circular No 01 of 2017- was issued to licensed banks on 01 February 2017.	Circular No 01 of 2017 - Implementation of Budget Proposals 2017 in Respect of Banking Services was issued to licensed banks on 01 February 2017 informing banks to mobilise not less than 15% of the deposits within the same area.
283	Loan less than Rs. 5 Mn to be processed in less than 1 month.	Circular No 01 of 2017 - implementation of Budget Proposals 2017 in Respect of Banking Services was issued to licensed banks on 01 February 2017 informing banks to streamline existing process to expedite the grant of credit with a value less than Rs. 5 Mn in less than 1 month.	Circular No 01 of 2017- was issued to licensed banks on 01 February 2017.
284	Necessary amendments to the	World Bank assistance has been sought in this regard and a steering committee has	B- Being Implemented, 20% completed

	Banking Act.	been established to look into the applicable regulatory and business areas of the banking sector. Obtaining views from the industry is in progress. Amendments suggested by BSD to the Banking Act are decided to be taken up for consideration under the law reform project already initiated by LCD and recommendations of BSD have been placed before the senior management of the CBSL.	
285	Cash Transactions.	This is within the purview of the Fiscal Policy Department of the Ministry of Finance and the implementing agency will be Inland Revenue Department.	Being Implemented.
286	Loan to Value ratio (LTV) to be limited for vehicle categories.	Banking Act Direction No 2 of 2017- Amendment to Directions on the Loan to Value Ratios for Credit Facilities in Respect of Motor Vehicles was issued to licensed banks on 15 February 2017.	Fully implemented.
286	Loan to Value Ratio (LTV) to be limited for vehicle categories.	Directions on LTV for LFCs/SLCs have been issued with effect from 16 January 2017.	Fully implemented.
290	Capital Market Strategy.	Publishing rules on primary auction of government securities (CBSL).	The Monetary Board has approved the New Auction System and the directions including Auction Guidelines were effective with effect from 27.07.2017.
		Revision of the operational manual of Public Debt Department resulting in concentration of issuances across benchmark securities at key points along the yield curve and consolidation of the number of issuances (CBSL).	Final draft of the Operation Manual incorporating the New Auction System and Auction Guidelines is currently under review.
294	Improve the outreach of the Treasury Bond market to foreign investors - Euro clear facility.	It is envisaged that implementation of Euroclearability of Government Securities will take a minimum of 2 years.	The Monetary Board has approved the proposal to implement Euroclearability of Government Securities (S.N:26/ Proposal No: 294). A Cabinet memorandum on the same has been submitted to the Ministry of National Policies and Economic Affairs to get the approval of the Cabinet of Ministers. The initial cost estimate is around GBP 500,000 for making the necessary software changes to existing CBSL systems. Euroclear will be charging Government of Sri Lanka at a rate of 1 basis point per annum, per EUR 1 nominal amount of the securities held by the domestic (Sri Lankan) investors through the CBSL account in Euroclear. Also, Euroclear will be charging a transaction fee of EUR 5 for each transaction settling in the books of Euroclear. Initial discussions on Euroclearability of Government Securities had with Finance Minister, Governor and the Officials of the Central Bank of Sri Lanka on 26th and 27th of January 2017. Further, conducted an initial introductory workshop to relevant officials of the Central Bank to discuss related technical issues. Cabinet Memorandum has been submitted to the Cabinet of Ministers by the Ministry of National Policies and Economic Affairs. Workshop conducted with the participation of the Euroclear officials to share knowledge on Euroclearability with the taskforce appointed to implement Euroclearability of G-Sec. Cabinet of

			<p>Ministers have granted the approval for the Memorandum for the implementation of the Euroclear.</p> <p>The proposed procedure has been referred to Attorney General's Department for legal clearance. Two sessions were held regarding this and the Attorney General's Department has requested a further review on nominee concept where all the Government securities need to be lodged in the Euroclear System.</p> <p>Steering Committee to meet and further discuss on the regulatory requirement for custodian arrangement with Euroclear.</p>
295	Benchmark securities for Treasury Bonds.	<p>Completed this action and will be continued in the future.</p> <p>In this respect PDD has taken steps to offer certain ISINs of 2,5,7,10 year maturity as much as possible at the T-Bond auctions.</p>	Fully implemented.
322	Extend the Agrahara Insurance Cover for the full lifetime of the retiring members The senior citizens deposit scheme which guarantees an interest of 15 percent for deposits up to Rs.1.5 Mn, during 2017.	Operating instructions were issued to licensed banks to extend the deposits cover under the special interest scheme for senior citizens to Rs. 1.5mn w.e.f 01.03.2017.	Operating instructions issued w.e.f 01.03.2017.
283.	Demutualisation of the Colombo Stock Exchange (CSE)	<p>Under the technical assistance received from the Asian Development Bank (ADB) for the Project, the Consultants appointed for the purpose held several meetings with the relevant stakeholders.</p> <p>The Consultants have proposed possible value allocation models between the Government and CSE Member firms and amendments to the draft Demutualisation Bill to facilitate the demutualisation process.</p> <p>Further, the draft Demutualisation Bill will be reviewed by a Legal Committee and necessary amendments would be made.</p> <p>Upon obtaining Commission approval for the draft demutualisation bill, the same will be forwarded to the Cabinet for policy approval.</p>	
284	Revision of the SEC Act to address regulatory deficiencies in the market	Upon publishing the draft SEC Bill for public consultation, the SEC received comments from various stakeholder which were reviewed and incorporated, as appropriate, to the draft SEC Bill.	The Securities Exchange Act No .. of 2017 was published in the Gazette on November 22, 2017 and presented in the parliament on 06 th December 2017 by the Minister.

Ministry of National Policies and Economic Affairs - Cadre details as at 31.12.2017

Annex IV

Designation	Service	Grade/Class	Approved Cadre	Existing Cadre	Vacant
Senior Level					
Secretary	SLAS	special	1	1	0
State Secretary	SLAS	special	1	1	0
Additional Secretary	SLAS	special	3	3	0
Additional Secretary	SLPS	special	2	2	0
Chief Finance Officer	SLAcco.S	special	1	1	0
Senior Assistant Secretary	SLAS	I	2	2	0
Director	SLAS	I	5	5	0
Director	SLPS	I	2	2	0
Director	SLAS/SLPS	I	1	0	1
Director (Project)	Dept	I	1	0	1
Chief Accountant	SLAcco.S	I	1	1	0
Chief Internal Auditor	SLAcco.S	I	1	1	0
Assistant Secretary	SLAS	III/II	4	2	2
Assistant Director/Deputy Director	SLAS	III/II	2	2	0
Assistant Director/Deputy Director	SLPS	III/II	7	6	1
Assistant Director (SED)	SLPS (Sup)	III	24	24	0
Assistant Director/Deputy Director(SED)	Dept	III/II/I	18	7	11
Accountant	SLAccS	III/II	4	3	1
Accountant (Internal Audit)	SLAccS	III/II	1	0	1
Internal Audit (Proposed for WFP)	SLAccS	III/II	1	0	1
Legal Officer	Dept.	III/II	1	0	1
Tertiary Level					
Administrative Officer	PMAS	Supra	1	1	0
Translator (Sinhala/English,Sinhala/Tamil)	Tra.S	1/Special	2	1	1
ICT Officer	SLICTS	2-II/I	2	2	0
EDTO	Dept.	III/II/I	150	87	63
Senior Research analyst	Temp.		1	1	
Junior Research analyst	Temp.		1	1	
Secondary Level					
Secretary's Coordinating Secretary	Temp.	III/II/I	1	1	0
Transport Officer	Dept.	III/II/I	1	1	0
Youth Development Assistant	Dept.	III/II/I	3	2	1
HRDA	Dept.	III/II/I	3	1	2
Procurement Assistant	Dept.	III/II/I	2	1	1
Skills DA	Dept.	III/II/I	1	1	0
Programme Assistant	Dept.	III/II/I	2	2	0

Designation	Service	Grade/Class	Approved Cadre	Existing Cadre	Vacant
Development Officer/DA	Dept.	III/II/I	159	152	7
Public Management Assistant I II III	PMAS	III/II/I	41	33	8
Management Assistant (Non Tec)	Dept	III/II/I	40	40	0
Management Assistant (Tec 03)	Dept	III/II/I	2	2	0
ICT Assistant	SLICTS	3-III/II/I	2	1	1
Cameramen (Vedio)	Tem.		1	0	1
Cameramen	Tem.		1	0	1
Primary Level					
Camera Assistant	Tem.		1	0	1
Driver	Driver S.	III/II/I	55	47	8
Driver	Dept.	III/II/I/special	3	3	0
Technical Assistant	Dept.	III/II/I/special	1	1	0
KKS	KKS S.	III/II/I	51	44	7
KKS	Dept.	III/II/I/special	27	27	0
Total			637	515	122